United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, FRIDAY, DECEMBER 15, 1995 No. 200

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, nothing is impossible for You. You have all power. Nothing happens without Your knowledge and Your permission. You will what is best for us as individuals and as a nation. You desire to bless us with the wisdom and discernment we need to solve our problems. And yet, we have learned that if we wait for You and ask for Your help, You provide. By Your providence You have placed the Senators in positions of great authority not because of their human adequacy but because they are willing to be available to You, attentive to You, and accountable to You. Together, with one mind and heart, we intercede for the negotiations on the budget. We know that if we trust You, You will be on time and in time to help us in the crucial hours of this day before the midnight hour of crisis. Give all those involved in the negotiation today humility to put the need of the Nation first above political advantages. You have promised that if we pray with complete trust in You, You will intervene to answer our prayers. In the name of our Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Colorado is recognized.

SCHEDULE

Mr. CAMPBELL. Mr. President, today there will be a period for morning business until the hour of 11 a.m. with Senators permitted to speak for up to 5 minutes each, with the following exceptions: Senator NUNN for 25 minutes, Senator COATS for 45 minutes, and Senator GRAHAM for 20 minutes.

Following morning business, the majority leader stated that it would be his intention for the Senate to consider any of the following items that are available: The House message to accompany H.R. 1868, the foreign operations appropriations bill, the District of Columbia appropriations conference report, and the continuing resolution.

Senators should therefore be aware that rollcall votes are possible throughout today's session of the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CAMPBELL). Without objection, it is so ordered.

TRIBUTE TO CONGRESSMAN TOM BEVILL

Mr. HEFLIN. Mr. President, the House of Representatives will be losing one of its true giants when Alabama Congressman TOM BEVILL retires at the end of this Congress. His tremendous leadership, particularly in the areas of waterway development, energy policy, and medical research will be virtually impossible to replace. I was highly disappointed at his decision, for he is a tried and true leader for our Nation. His retirement will be a huge loss for the country and for Alabama.

TOM and I attended law school together at the University of Alabama and remained close friends over the years. He is the dean of the Alabama congressional delegation, having served now for over 30 years. TOM BEVILL has served longer in the U.S. House of Representatives than any other Member of Congress from Alabama. Today, TOM is the House's 11th most senior Member and one of its most effective legislators.

He has worked closely on several issues of particular importance to our State. He certainly has played an important role in the growth and the development of the University of Alabama at Birmingham. Because of his leadership and efforts, UAB, as it is known, is today home to one of the very best medical schools in the Nation and has some of its premier health care facilities and is on the vanguard of medical research.

TOM BEVILL was chairman of the Subcommittee on Energy and Water Development of the House Appropriations Committee from 1977 until this year when the Republicans took control of that Chamber.

His leadership extended beyond the confines of his own district. For example, Mobile, a port city located some distance from his district in north Alabama, has been greatly enhanced by several waterways projects resulting from his stewardship.

Every area in the State of Alabama has benefited from his seniority and position in Congress. Some have even called him Alabama's third Senator, and, I will say, that the Nation, as a whole, certainly has benefited. No one has been in the forefront more pertaining to waterway development. And waterway development is extremely important. He has had some battles with Presidents relative to waterway development. I might say that he came out victorious in these battles.

He is a native of a small Walker County mining community in Alabama by the name of Townley. TOM BEVILL has spent part of his childhood building small dams. He is a lifelong Democrat, and a fundamental reason for his party

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

affiliation is the suffering and the poverty he saw during the Great Depression.

He has said that his philosophy of Government was formed during the Depression when he saw his father, a former miner and a storekeeper in rural Townley, give food to people who were literally starving. He openly admired Franklin Delano Roosevelt and what the New Deal did for Alabama and the Tennessee Valley.

Beginning in 1958, he served two terms in the Alabama State Senate. In 1966, he won his seat to the U.S. House and has been there ever since.

From the start, he earned the admiration and the respect of his colleagues by not ever allowing policy or political disagreements to become personal. He is known for his fairness in all of his dealings. He is a gentleman with a courtly manner that often eases tensions and invites compromise. He is principled and consistent, a man true to his word, his conscience, his constituents and his colleagues.

TOM BEVILL will be sorely missed when the 105th Congress convenes in January 1997, but I can certainly understand his decision, having made the same one earlier this year.

I wish him and his wonderful, gracious wife, Lou, all the best as they enter a new phase of their lives.

TRIBUTE TO THE UNIVERSITY OF NORTH ALABAMA FOOTBALL TEAM

Mr. HEFLIN. Mr. President, in the bustling North Alabama town of Florence, an athletic dynasty reigns, cloaked in the royal purple and gold school colors, producing a championship heir each year since 1993. I come to the Senate floor today to tell you of an amazing group of young people at an outstanding university in my beloved State of Alabama.

Just days ago, on December 9, the University of North Alabama Lions claimed their third consecutive national championship in Division II football. This is an achievement unmatched in college football history by any team from that division or higher. Their victory came at the expense of a worthy opponent, Pittsburg State, with a final score of 27 to 7.

I can go on and on- and, mind you, I will in a moment- about the unbelievable records that have been set and broken by these champions over the past 3 years, but I would first like to call attention to a statement made by the UNA Lions Coach Bobby Wallace. In an interview with the Florence TimesDaily, Coach Wallace stressed that this once-in-a-lifetime opportunity of three championships in a row is not what made his team unique:

Don't get me wrong, I wanted very badly to win this game. But winning really wasn't that important. A win today wasn't going to make this team special. They were special long before today. All they did today was go out and prove they may be the best ever in Division II.

Mr. President, it is this type of attitude that sets the Lions apart as true champions. These young men and their outstanding coaches realize that winning isn't the true mark of a good team. Character, determination, dedication and hard work all factor into the champion spirit. However, I would be remiss if I failed to point out the obvious: In addition the champion spirit, UNA most definitely has the talent to capture the victory. And it is this astounding talent that I would like to note for the record.

Over 15,000 people attended the sold-out game at Braly Stadium and countless more watched on ESPN. Ken Berger of the Associated Press summarized the championship game: ''It wasn't even close. North Alabama (14–0) shredded Kansas-based Pittsburg State (12–1–1), amassing 380 yards to the Gorillas' 176 and holding a 2-to-1 advantage in possession time.''

Ronald McKinnon, senior linebacker, received the 1995 Harlon Hill Trophy as the NCAA Division II National Player of the Year. He is the first defensive player in the 10-year history of the award to finish in the top three, much less win the award. He proved worthy once again in the championship game with 14 tackles, one for a 5-yard loss and a recovered fumble that led to UNA's second touchdown.

Starting quarterback Cody Gross, suffering from a torn hip muscle, still managed to complete eight of 13 passes for 102 yards and a touchdown in addition to carrying the ball three times for four yards. He split the time with senior back-up quarterback Cale Manley who guided the team in a stunning 76-yard, 12-play drive on UNA's opening possession. Jermaine Roberts led UNA's championship game effort with 107 yards on 20 carries, scoring twice.

Mike Goens, regional editor at the Florence TimesDaily, described the atmosphere in the final 3 minutes of the game: ''At that moment, an overcast afternoon turned to dusk. Metaphorically, the lights began going out for Pittsburg State. And the evening sky, fittingly, began turning shades of purple and gold.''

The UNA Lions have dominated their field of play as no other college football team has, ever. They have a 3-year record of 41 wins and 1 loss. That loss was to the No. 1 ranked Division I–AA Youngstown State. The Lions are the only college football team at any level to win 40 games in 3 years. UNA's current 23-game winning streak is second best in the Nation, behind Division I's Nebraska with 24.

This team is indeed made up of outstanding young men. Nineteen of the fifty-two players who dressed out for the championship game are seniors. This senior class closed their collective careers as the winningest in school and Gulf South Conference history at 48–5–1.

Coach Wallace, not known as one to rest on his laurels, told the media after the game that he plans to guide the UNA Lions to a fourth straight championship next season. That is the spirit of a true champion. For now, however, I join my voice with a legion of others in proudly hailing UNA's conquering heroes with the resounding cheer: ''Go Lions.''

A PROCLAMATION TO THE WORLD

Mr. HATCH. Mr. President, I rise today to draw my colleagues' attention to a recent proclamation made by President Gordon B. Hinckley on behalf of the First Presidency and Council of the Twelve Apostles of the Church of Jesus Christ of Latter-day Saints.

I believe this proclamation to be especially timely during this holiday season. The holidays often afford us the opportunity to reestablish family bonds. I believe President Hinckley's words have relevance for all Americans and will help each of us reaffirm our commitment to the primacy of the family as the basis for strong communities and to the sanctity of marriage as the foundation for healthy families.

I hope that the core principles expressed within this proclamation will continue to guide and strengthen us during this holiday season and into the coming year.

Mr. President, I ask unanimous consent that the proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

A PROCLAMATION TO THE WORLD

(From the First Presidency and Council of the Twelve Apostles of the Church of Jesus Christ of Latter-day Saints)

This proclamation was read by President Gordon B. Hinckley as part of his message at the General Relief Society Meeting held September 23, 1995, in Salt Lake City, Utah.

We, the First Presidency and the Council of the Twelve Apostles of The Church of Jesus Christ of Latter-day Saints, solemnly proclaim that marriage between a man and a woman is ordained of God and that the family is central to the Creator's plan for the eternal destiny of His children.

All human beings—male and female—are created in the image of God. Each is a beloved spirit son or daughter of heavenly parents, and, as such, each has a divine nature and destiny. Gender is an essential characteristic of individual premortal, mortal, and eternal identity and purpose.

In the premortal realm, spirit sons and daughters knew and worshiped God as their Eternal Father and accepted His plan by which His children could obtain a physical body and gain earthly experience to progress toward perfection and ultimately realize his or her divine destiny as an heir of eternal life. The divine plan of happiness enables family relationships to be perpetuated beyond the grave. Sacred ordinances and covenants available in holy temples make it possible for individuals to return to the presence of God and for families to be united eternally.

The first commandment that God gave to Adam and Eve pertained to their potential for parenthood as husband and wife. We declare that God's commandment for His children to multiply and replenish the earth remains in force. We further declare that God

has commanded that the sacred powers of procreation are to be employed only between man and woman, lawfully wedded as husband and wife.

We declare the means by which mortal life is created to be divinely appointed. We affirm the sanctity of life and of its importance in God's eternal plan.

Husband and wife have a solemn responsibility to love and care for each other and for their children. ''Children are an heritage of the Lord'' (Psalms 127:3). Parents have a sacred duty to rear their children in love and righteousness, to provide for their physical and spiritual needs, to teach them to love and serve one another to observe the commandments of God and to be law-abiding citizens wherever they live. Husbands and wives—mothers and fathers—will beheld accountable before God for the discharge of these obligations.

The family is ordained of God. Marriage between man and woman is essential to His eternal plan. Children are entitled to birth within the bonds of matrimony, and to be reared by a father and a mother who honor marital vows with complete fidelity. Happiness in family life is most likely to be achieved when founded upon the teachings of the Lord Jesus Christ. Successful marriages and families are established and maintained on principles of faith, prayer, repentance, forgiveness, respect, love, compassion, work, and wholesome recreational activities. By divine design, fathers are to preside over their families in love and righteousness and are responsible to provide the necessities of life and protection for their families. Mothers are primarily responsible for the nurture of their children. In these sacred responsibilities, fathers and mothers are obligated to help one another as equal partners. Disability, death, or other circumstances may necessitate individual adaptation. Extended families should lend support when needed.

We warn that individuals who violate covenants of chastity, who abuse spouse or offspring, or who fail to fulfill family responsibilities will one day stand accountable before God. Further, we warn that the disintegration of the family will bring upon individuals, communities, and nations the calamities foretold by ancient and modern prophets.

We call upon responsible citizens and officers of government everywhere to promote those measures designed to maintain and strengthen the family as the fundamental unit of society.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDENT LOANS

Mr. DEWINE. Mr. President, I rise today to discuss what the Republican balanced budget bill, the bill that President Clinton vetoed with such fanfare last week, would accomplish in a very important area; that is, the area of student loans.

Mr. President, a great deal of attention has been paid to this issue. I do not think most people have heard the whole story, the real story. The real story is this: The Republican balanced budget plan will decrease—let me repeat, decrease—the cost of higher education for American families.

The compromise worked out between the House and Senate reduced mandatory spending in the student loan program by $4.9 billion—a savings of $4.9 billion. We achieve this goal without—without—increasing the cost of student loans for students, for their parents, or for the colleges. We made these reductions by cutting the administrative overhead of the Federal bureaucracy and by reducing the Federal spending—to banks, secondary markets, guaranty agencies, and other private lenders who administer the guaranteed student loan program.

Mr. President, none—let me repeat, none—of these cuts can be passed on to the students, parents, or to their colleges.

In addition, the Republican balanced budget plan did not achieve this $4.9 billion in savings by cutting the amount of money made available to students and their parents for college education.

Mr. President, I think these are two very important points. The Republican balanced budget plan does not ask students or their parents or colleges to pay more for student loans. The Republican balanced budget plan does not cut the amount of money made available to students and their parents for a college education. The fact is, Mr. President, and the rest of the story really is, balancing the budget as our overall budget plan would do, would ultimately decrease the cost of students loans. It only makes sense.

If we balance the Federal budget, which will reduce interest rates, the cost of borrowing by students and their families will fall. For example, a student that borrowed $11,000 at an interest rate of 8 percent will repay $18,578 over the life of the loan. By balancing the budget in 7 years and by reducing interest rates by 2 percent that same student repayment amount will be lowered—lowered—by $2,167, resulting in a lower yearly payment of $216. That is real money.

Mr. President, it is clear these policy changes will not make it more difficult for families to pay for their children's education. Just the contrary. What our changes will do will be to make it easier for families.

In addition, our Republican balanced budget plan will provide students with a tax deduction on a portion of the interest they pay on student loans. If you average it out, Mr. President, the average borrower will save $8 a month—$8 a month.

The number of student loans is scheduled to increase as well. Let me repeat that: The number of student loans under our plan is going to increase. In 1996, it will be higher than ever before with over 7.1 million student loans. The Congressional Budget Office projects that student loans will continue to rise through the end of the century. This year the volume of student loans stands at about $24.5 billion; by the year 2000 it will rise above $33 billion. That is an increase of nearly 50 percent.

Mr. President, the average student loan amount will rise from today's $3,646 to $4,300 in the year 2000. So the balanced budget plan, our balanced budget plan, will help make education more affordable.

The bill will also make substantive changes in the law that are both wise and necessary, changes that will make the lending system fair and more efficient. The Republican balanced budget plan will extend to those students who are in the guaranteed loan program the same benefits enjoyed by those who participate in the direct lending program.

Mr. President, today if you are a student receiving loans under the direct lending program, you have a wide variety of options for repayment. You can have an extended repayment or income-contingent repayment. These and other repayment options make it easier for young people to make the transition from college life to the working world. A young person getting out of college may decide to take a job that pays little but will give him or her a lot of experience. There is no reason that student should not be allowed to pay the loan back further in the future when he or she is making more money. That is flexibility.

Mr. President, you can do that with the direct lending program. I believe it is only fair that we extend those same options to students in the regular guaranteed loan program. That is what the Republican balanced budget plan will do.

We have just received a few details on what the President's proposal would do. It is clear that the President's plan would take away from the benefits that students would receive under the Republican balanced budget plan. The President's proposal, the Clinton proposal, would eliminate the expansion of repayment options to students in the guaranteed loan program. Under that plan, only students in the Federal direct lending program—only in the direct lending program—would have flexible repayment options. That is an endorsement, I believe, of the status quo, which really is unfair.

Mr. President, that is some of what the President proposes. We are waiting, as I speak this morning, for more details. The more we learn, the clearer it becomes that the Republican budget plan in regard to student loans is better for students, is better for their parents, is better for the colleges. The Republican balanced budget plan provides a tax deduction for interest on student loans, the first time since 1986. It provides flexible repayment options for all students. Most importantly, it cuts the deficit without making a college education less affordable for students, parents, and colleges.

In summary, Mr. President, the Republican balanced budget plan constitutes a major step forward for the young people in this country. I believe strongly that these student loan provisions ought to be incorporated in whatever final budget compromise is reached between the President and the Congress. Students, parents, or colleges should not be made to pay more for a college education. The Republican balanced budget plan did not make students, parents, or colleges pay more. The President's plan should not either.

I see also on the floor my colleague from Indiana who has played such a major role and has really taken the lead in shaping this very responsible plan that we have put forward. It is a plan I know he is proud of and I am proud of, as well. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana, Mr. COATS, is recognized for up to 45 minutes.

STUDENT LOANS

Mr. COATS. Mr. President, I will not take nearly that much time. I thank my colleague and friend from Ohio, Senator DEWINE, for his support throughout this effort. I will take a portion of that allotted time to explain what we are about and why we feel it is so important, at this particular time, to define the future for those students and parents who are anxiously wondering about what their opportunities will be to secure guaranteed loans for college expenses and university expenses in the future.

As many who have followed this issue know, after weeks of negotiations, the Senate and House reconciled the differences between their two pieces of legislation regarding student loans, and came up with a savings figure of $4.9 billion. We had to do so because, in an effort to balance the budget, which is a noble effort which will hopefully come to a conclusion here in this next week, each committee was directed to achieve a certain amount of savings.

The Labor and Human Resources Committee has a very limited impact in terms of the savings that it can contribute to this balanced budget effort and, in fact, had very little other choice other than to look at student loans. We were faced with somewhat of a dilemma. We know college costs are rising and tuition costs are rising. We know cutting back on the amount of loans available, or the repayment obligations of those loans, puts a serious crimp on families and students alike. So, what we were able to do is come up with our recommended savings, $4.9 billion, without decreasing, without limiting, without imposing any new costs on students, on their families or on the schools. Not one student or one parent will pay 1 cent more for a student loan under the Republican reconciliation package, the balanced budget package, than they pay today.

This debate has gone on for more than a year, but particularly this year. And, unfortunately, there is a tremendous amount of disinformation being spread by the administration that somehow students and parents are going to be adversely affected by these drastic cuts in education; that students will not be able to secure loans to pay for their future education.

Demonstrations have been held during hearings. The hearing room is packed with students coming down. As we point out the facts to these students, they are almost in disbelief, because they have been told that the Republican balanced budget plan is going to drastically reduce their ability to secure student loans and drastically increase the repayment obligations on those loans.

The fact of the matter is, not 1 cent of additional cost is being imposed on students. Mr. President, 70 percent of the $4.9 billion are costs that are imposed on the banks and guaranty agencies and secondary markets who participate in administering these loans: Taking the applications, determining who is eligible, providing the money, doing the repayment collection and so forth. Those are the agencies that will take a second, additional, substantial increase in the amount of expenditures that they will have to absorb without passing any of that on to the students or the parents who take out the loans.

The 1993 Budget Act imposed a very substantial cost, several billion dollars of additional costs on these banks and agencies, and now we are adding an additional $4.9 billion. All of the rhetoric coming out of the Department of Education and coming out of the administration speaks to the opposite of what is happening. Because the balanced budget package actually affords students not only the ability to retain their existing benefits in the same form that they currently exist, but creates new benefits by ensuring that the two student loan programs, the guaranteed loan program and the direct lending program, will offer the same benefits to students. For example, until now, students receiving loans through the direct lending program were given the option of an income-contingent repayment. That is, their repayments were based on their ability to repay—income-contingent. Under the package that is now presented to us, this same option will be extended to students in the guaranteed loan program as well as the direct lending program.

Furthermore, students, their families, and colleges were protected from a precipitous move to an unproven program by capping the direct lending program at 10 percent of total loan volume. The administration has opposed this cap because the President and Department of Education have been committed for some time to a very dramatic extension, an expansion of this program, the direct lending program, and were not willing to take some time and set aside a demonstration to see whether or not it would be in the better interests of the students and colleges and actually provide the savings they claim.

Initially, the savings claimed started out somewhere close to $12-plus billion. That was revised to $6 billion. Then we finally got an estimate back from the Congressional Budget Office saying that, no, it not only would not save money for the Government, it would actually cost money because of a number of factors including administrative costs at the Department of Education.

A point we are trying to deal with here is that if we were to adopt and accept the President's proposals to continually raise the cap and eventually get, I think, to a program that only administered student loans through the direct lending program, we are likely to see the termination of the competing program, the guaranteed loan program, because these agencies cannot continue to absorb increased administrative costs while their market for distributing loans continues to shrink, as more shift over into the direct loan program. So the conferees thought that what we ought to do is double the current size of the direct lending program from 5 to 10 percent, put a cap on that 10 percent, test it as a demonstration program to see how we could administer it efficiently and effectively to see whether or not it lived up to the claims that were made for it, and then make a final decision on what the best way to offer student loans to students would be.

The Clinton plan began by removing any participation target for direct lending, effectively allowing, as I said, direct lending to go to 100 percent, as the administration has been pushing as recently as 5 months ago in legislation that it sent to the Congress. At the same time, the administration was imposing virtually all of the subsidy reductions on the guaranteed loan program, the other program, added to, as I said, increases in costs that were imposed in 1993. Taken together, these subsidy reductions along with the open-ended level of the direct loan program, in my opinion and in the opinions of many, would have effectively ended the guaranteed loan program and effectively denied and taken away the choice for the vast majority of the Nation's schools and students.

Again, let me state the facts. Even though we are putting together a plan to balance the budget in 7 years, the decision was made that we will not achieve savings by imposing on students or their parents or the schools or universities any additional costs. That ought to be good news for every college, every university, and every student and young person in this country. Despite that, we continue to hear and read the rhetoric coming out of the administration that we are denying opportunities to students and imposing higher costs on them. That is simply not true.

Make no mistake, there is a real higher education debate going on. But

the debate is not whether we will provide loan assistance to students going to school. The debate is how we will provide that assistance. It is not a debate about student cuts or school fees, it is a debate about where the funds for loans will originate and who will handle that, administer the loans once they are made. The difference really comes down to whether or not you believe that a Government-run program will be more cost efficient and more effective than a private sector-run program. That point was made very well in the Washington Post op-ed article 2 weeks ago.

Two economists at the CRS, Dennis Zimmerman and Barbara Miles, wrote an article explaining that the debate between the direct lending and the guaranteed loan program is fundamentally a debate over political philosophy and not a debate over economics. I have a quote from what they wrote on this chart:

There are no inherent cost advantages in direct lending as opposed to guaranteed lending. Regardless of how the loans are made, rules of the program dictate that the same number of loans will be made to the same students for the same purposes, and with the same interest rates and repayment terms. The idea that direct lending would somehow produce multibillion-dollar savings was attributable to . . . [and I think they generously said] misunderstanding.

The choice between the two boils down to political philosophy, not economics.

It is important to keep in mind that these economists at the Congressional Research Service are not individuals who work for the Republican Party, nor are they individuals who have some hidden agenda, who have some connection to the banks or the guaranty agencies. They are simply economists who work for the Congressional Research Service and provide us with objective, nonpartisan analyses of the programs that Congress develops.

As many know, I have been a vocal opponent of the direct lending program since its inception. To put it simply, I simply do not believe that the Federal Government is able to better manage a program than the private sector at a time when we are looking to privatize many Government services because we are discovering—whether it is in small town America, whether it is in our States, or whether it is at the Federal level—that the private sector does the job more efficiently and cost effectively than Government. At a time when we are attempting to privatize and find the savings in Government, along comes the administration saying, ''Let us create a brand new program to be administered by a Government agency, Government bureaucracy, and let us take away a function that is being performed by the private sector and transfer it to Government.''

I think anybody who has studied, or looked at, or even instinctively understands that Government programs do not operate as efficiently or effectively as the private sector, has to seriously question the decision of the administration to begin to administer an entirely new program at the Department of Education.

In my opinion, and on the basis of my analysis of Government programs and the thousands of requests, complaints, and inquiries that come into my Senate office here in Washington, or my Senate or regional offices in Indiana, complaints about the ineptness, the mismanagement, the bureaucracy, and the delays of administering Federal programs, I simply cannot endorse a program that would add yet another function to the Federal Government.

I believe that quality of service would seriously decline. I believe that the default rate would skyrocket. I think that making a Federal agency the responsible agent to ensure that the loans are repaid is not going to begin to give us the accountability that we achieve through the private sector.

One of my greatest concerns is program management. The direct lending program will centralize control at the Department of Education. The new Federal bureaucracy needed to oversee direct lending is already growing and having predictable results. We started with a 5-percent test, and already we are considerably more than that. Some of the results are in.

The Department has had to hire 400 new people to administer the program and has plans to hire some 700 more by the time the program is fully operational.

Yet, a recent issue of Forbes magazine reported that the Department is already having problems managing the $700 million that it disbursed in 1994 through direct loans. In the first year of that program, when the Department was only responsible for 5 percent of total loan volume, they somehow lost track of almost 15 percent of the loans disbursed.

The program mismanagement becomes an even greater concern with the possibility that direct lending could become the only student loan program.

As I mentioned earlier, despite their newfound love for program choice, the President and the Department of Education have made it very clear that they want ultimately to end up with 100 percent direct lending. And, in this environment, the Department of Education would then become the third largest bank in the country requiring a vast new Government bureaucracy to handle details like customer assistance and loan checks.

This is the same Department that, after 16 years of operation and $342 billion of taxpayer money, has failed to improve the quality of education in this country. Do we want this institution to have a monopoly on student loans?

Concern over this program management and whether this is a proper expansion of Federal Government is shared by four former Secretaries of Education. Former Secretaries Bennett, Cavazos, Alexander, and Hufstedler, President Carter's first Secretary of Education, wrote a letter to Senator DOLE opposing direct loans on the grounds that the Department of Education simply cannot manage this program.

I have put on this chart—it may be difficult to see—a copy of this letter to Senator DOLE from the three former Secretaries of Education, Lamar Alexander, Lauro Cavazos and William Bennett, and I will read only a portion of it.

The effort to rapidly federalize the administration of the massive student loan program is ill-conceived and presents substantial risk to the financial lifeline for millions of this Nation's college students and families.

They further wrote that at a time when the Clinton administration has advocated public-private partnerships and deregulation to improve American competitiveness, the nationalization of the student loan program directly conflicts with those objectives.

Such strong bipartisan opposition to direct lending clearly sends a signal that we need to at the most test this program before allowing it unrestricted and unfettered growth, as the President proposed in his balanced budget plan.

The report that the conference between the House and the Senate gave back to us said they believed it was appropriate to cap this program at a 10-percent rate—10 percent of the total loan volume—and test it to see whether or not our concerns were real concerns.

I believe that a 10-percent cap would allow for a reasonable demonstration to occur. We can then take the results and make further decisions as to what we ought to do.

We ought to heed the words of those former Secretaries of Education from both parties who caution that rapid federalization of student loans as currently being undertaken by the administration presents substantial risk to the financial lifeline for millions of this Nation's college students and families.

I urge my colleagues to save student loans and to support the balanced budget provision which was supported by the Senate.

We are entering now into a period of time over the next several days when some very fundamental decisions will have to be made in terms of getting to a balanced budget in a 7-year period of time with honest numbers, without fudging the numbers or cooking the books or making false assumptions.

We owe it to the future of this country, we owe it to our children and grandchildren, and we owe it to those young people who ought to have the kind of opportunities that we have enjoyed.

This is just one piece of the puzzle. It is an important piece. It is a $4.9 billion piece. But it could result in a program which, if left unfettered, left uncapped and not tested first, could begin

to push us down that road which we have been traveling for the last several decades of open-ended programs with entitlements to individuals and no ability of Congress to check it.

We have a program now that works. We have substantially improved that program in the private sector. We have imposed costs and fees on the banks, guarantors, and lenders that have helped us in our budget savings without imposing additional restrictions on students.

Frankly, it is a pretty good deal for America, to be able, when you send your children to school, to borrow funds at no interest, use those funds to pay college costs, and then have an extended repayment period after graduation where you are not even paying interest on the use of the funds for the entire time that you are in school, plus in a 6-month period of time after graduation from school.

Now, I do not know if there are many better deals in America. If there are, I would like to know about them.

And so I think we ought to deal with the facts and not the political rhetoric. We ought to recognize that we have in place an extraordinarily generous program to help parents who need the help and students who need the help in providing funds to pay for their college costs.

A program which allows you to borrow at zero interest for your entire time in school and then gives you a generous 10-year or more repayment program where the interest does not even begin to run on the amount that you have borrowed until 6 months after you have graduated, give you time to go out and look for employment so that you can begin to pay back these loans, is a pretty generous program. At a time when we are facing a substantial budget crisis, are attempting to bring fiscal responsibility to the Federal Government, at this historic moment when we hope to finally once and for all balance the budget, this is more than a reasonable proposition.

So I hope that the conferees in deciding what the final composition of the Balanced Budget Act will look like and in negotiating with the President understand what the House and Senate have come up with in terms of the student loan program is more than reasonable, does not impose additional costs on students, does not reduce the amount of loans available to those students, and simply is the way we ought to proceed.

Mr. President, I thank you for the time. Whatever time I have remaining I yield back.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for up to 5 minutes.

Mr. EXON. An inquiry of the Chair. I assume we are in morning business. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. EXON. I thank the Chair.

REV. RICHARD HALVERSON

Mr. EXON. Mr. President, passage of a wonderful, gifted and true Christian gentleman, former Senate Chaplain Richard Halverson, has left another void in our society and great sadness to this friend of his. My wonderful wife, Pat and I always felt Dick Halverson was one of God's greatest gifts to us and our spiritual well-being. He never let us down, and he always built us up.

The Christian glow of Chaplain Halverson, like a strobe light in the dark or a beacon in the storm and fog, shone brightly always and will everlastingly. Few have attained or maintained the mission of what obviously was God's wisdom and compassion in creating and sending forth among us poor sinners this giant workman for faith and good.

I knew him well years before he was called upon to be the spiritual leader of the Senate. Way back in the early 1970's, when I first met this man, I correctly sensed, when he came to Nebraska to lead us in a Governors' Christian retreat, his devotion and his unique ability to spread our Maker's message of peace and love and understanding.

While he is gone from us in this life, and we will miss him, the light and glow of Richard Halverson does not even flicker. It is brighter than ever. For this wonderful man, who has been taken from us and from his family, we issue condolences to that great family of Richard Halverson, but we commit to continue his gentle but most effective teachings that he has left all of us for the betterment of mankind. God bless my brother, Richard Halverson.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia [Mr. NUNN], is recognized for up to 25 minutes. The Senator is recognized.

Mr. NUNN. Mr. President, I ask unanimous consent that morning business be extended sufficient time to accommodate my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

A MAN DEARLY LOVED, REV. RICHARD HALVERSON

Mr. NUNN. Mr. President, I first wish to express my gratitude to the Senator from Nebraska for his fine comments on Reverend Halverson, a man we all dearly loved. There was a beautiful and wonderful memorial service to him in the Senate caucus room this week where not only Senators but, more importantly, Senate family—policemen, people working in the dining room, doorkeepers—expressed their profound appreciation for the life and example of this wonderful, wonderful disciple of God. I will be making more complete remarks, and I will also, at a later point, insert in the RECORD some of the remarks made at his memorial service so that all Senators can read them.

I certainly join at this juncture with my friend from Nebraska and thank him for his poignant and very appropriate observation about this dear brother who meant so much to this body and the entire Senate family.

DEFENSE AUTHORIZATION CONFERENCE REPORT

Mr. NUNN. Mr. President, before I speak on my frustrations with the War Powers Act and relate some of the most recent debate on Bosnia and most recent deployment of American military forces, I would like to say there was an article in the Washington Times this morning in effect saying I had declared all-out war in an effort to lobby Senators to defeat the Defense authorization conference report.

Mr. President, just for clarification, I will vote against the conference report. I worked very hard with Senator THURMOND and with other members of the committee to get a bill that would not only be something that I could support but also, more importantly, that the President would sign. I am afraid we do not have that kind of product coming in the conference report. But I have informed the Democratic Cloakroom and the Democratic leadership that I wish to cooperate fully with Senator THURMOND in getting this conference report before the Senate. I certainly will do everything I can to get a time agreement for a reasonable period for debate where people can express their views both ways, for and against this bill. I will do everything I can to persuade other Senators not to have extended debate. I have no intent of trying to keep this bill from going to the President for his final decision, whether he signs it or whether he does not sign it.

This article also said I was busy laying some kind of strategy to defeat the bill and lobbying Republican Senators and that I was trying to get out in front of Chairman THURMOND and defeat this bill.

Mr. President, I have not asked a single Senator to vote against this bill. I do not intend to lobby against the bill. I intend to state my views as to why I cannot support the bill. The conference report speaks for itself. There are some people who will be for it, some opposed to it. This article is right out of the whole cloth. I do not know how reporters are able to make these kinds of reports to the public without any check whatsoever with the people they are purporting to report on, in this case me.

It is true that I said I would vote against the bill. It is true that I laid out some of the reasons in a press release. It is not true that I am trying to impede the bill and its progress. It is not true that I am launching any kind of all-out effort to defeat the bill. It is my view that the bill will pass.

It will have, I think, majority support. It will have support from people, I am sure, from both sides of the aisle. So, I wanted to clarify my view on this.

I will vote against the bill. But if I wanted to defeat this conference report, if I felt that was the appropriate route—and I do not—I would certainly be engaged in extensive debate, thereby requiring 60 votes to pass it rather than 50. I do not intend to do that. If there is any kind of effort for extensive debate, it will not only be without my cooperation but it would be against my own advice and something being done by individual Senators.

So, I hope that whoever is spreading that message or making that report or seeing that article also will take into account the remarks I have made here on the floor, which happen to be factual and true.

WAR POWERS ACT

Mr. NUNN. Mr. President, I would like to discuss the overall concept of war powers and the congressional role in making decisions to deploy United States forces abroad. There was not sufficient time in the debate on Bosnia during which I alluded to my frustration in this regard, but did not go into detail. Today I hope to lay out my views in a more complete fashion.

Mr. President, during Wednesday's debate on the Bosnia resolutions, I noted that when President Clinton publicly committed the United States to participate in implementing a peace agreement by putting U.S. forces on the ground in Bosnia, he did so without consulting with Congress prior to making that commitment, as far as I know. I was not consulted, and I do not know of others who were. I certainly do not know of any kind of formal consultation or any kind of leadership meeting before that commitment to deploy U.S. ground forces was made to the world and to our allies.

It was a very important commitment. At that time, we were not on the verge of a peace agreement, so it was not taken as being important by the news media or by those people in Congress in leadership positions; but it was important. And I think all of us need to understand that when Presidents make these kinds of commitments internationally, and when they do so without consulting Congress, then the cards are already dealt.

Those of us in the Congress who have certain constitutional responsibilities, if we do not do a better job ourselves, then this kind of pattern—it has not only been President Clinton, but it has been the same with other recent Presidents—will continue.

President Reagan made commitments and certainly took action in Panama and Grenada and Congress played almost no role.

President Bush, though he did, to his great credit, come to Congress before actually going to war, deployed hundreds of thousands of troops to Saudi Arabia without any congressional action. Congress did not take any action. I do not blame President Bush for that. Congress did not act. And President Bush then virtually doubled the number of forces in Saudi Arabia, which prevented a troop rotation, which meant that the clock was ticking. There was no way to rotate those forces. Therefore, they either had to be used in some kind of conflict or it had to be resolved. So, the clock was ticking there. Then President Bush also made it clear that whatever Congress did, even though he sought congressional authority, he was going to go forward.

So, all of this leads me to think that it is time, way past time, probably 10 or 15 years past time, for Congress to rethink its own role. I think this is fundamentally a congressional responsibility. I do not think it is going to be solved by a President, whether it is a Republican President or Democratic President. It is not their job. I would hope that any President would cooperate if Congress takes its own initiative to exercise its own responsibility and authority. But, at this stage, I do not expect the President to solve our own problem.

Mr. WARNER. Mr. President, would the distinguished Senator from Georgia yield for just a moment?

Mr. NUNN. I would be pleased to.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Virginia.

Mr. WARNER. I wish to corroborate the fact that in February 1993, when President Clinton made this specific commitment, I did not have any knowledge nor did other members, senior members, of the Armed Services Committee, to my knowledge.

Likewise, I remember the commitment of that large number of troops by President Bush. I recall the Senator from Georgia was quite concerned when he learned about it through other sources than through the consultation process which, in some effect, was taking place during that period in the fall. But I remember the Senator specifically raised a point that at no time in that consultation process—and I was the ranking member then—was there any to the then-chairman of the committee, the Senator from Georgia. And the Senator called the President to task for failing to do that.

Last, Mr. President, I urge the Senator to look at a very erudite article on this subject written by Lloyd Cutler appearing in the Washington Post, I think about 2 weeks ago. I will put it in the RECORD, the exact date of that article. It lays out with detail the legal chronology of the War Powers Act.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 26, 1995]

OUR PIECE OF THE PEACE—SENDING TROOPS TO BOSNIA: OUR DUTY, CLINTON'S CALL

(By Lloyd N. Cutler)

After months of sustained effort, the Clinton administration has succeeded in negotiating a peace agreement among the three warring ethnic factions in Bosnia. The agreements initialed in Dayton would require us and our NATO allies to place peacekeeping units of our armed forces in Bosnia for a year or more. This raises once again the biggest unresolved issue under the U.S. system of separate executive and legislative departments: Is the constitutional authority to place our armed forces in harm's way vested in the president or in Congress, or does it require the joint approval of both?

President Clinton has said he would follow the precedent set by George Bush before the 1991 Desert Storm invasion and seek a congressional expression of support before committing American units to the enforcement of the Bosnian peace agreement. But he has also asserted the constitutional power to act on his own authority, just as Bush did. This time, it is Republican congressional leaders who are challenging a Democratic president's view that the president can lawfully act on his own, but, more typically it has been Democratic Congresses challenging presidents of either party.

During the coming debate. Congress would be wise to bear in mind, as it did five years ago, that the world will be watching how the one and only democratic superpower reaches its decisions, or whether it is so divided that it is incapable of deciding at all. Congress needs to recognize that we cannot have 535 commanders-in-chief in addition to the president and that some deference to presidential judgments on force deployments is in order. That is especially true when, as in Korea, Iraq and Bosnia, the president's proposed deployments are based on United Nations Security Council resolutions that we have sponsored and on joint decisions with our allies pursuant to treaties Congress has previously approved.

In the case of Bosnia, the argument for committing U.S. forces to carry out a peace agreement is a strong one. All of us are revolted by the ethnic cleansing and other human rights abuses that the various factions have committed. These abuses are likely to continue if the peace agreement is not formally signed in mid-December as now scheduled, or if it is signed but not carried out. If the war goes on or soon resumes, it may well spread to other parts of the former Yugoslavia and to the rest of the Balkans, still the most unstable region of Western and Central Europe. Any widening of the Balkan wars could well spread to Eastern Europe and the Middle East and pose a substantial potential threat to U.S. national security.

Some foreign forces are needed to separate the contending armies and to control the standing down of heavy weapons. Under our leadership, and only under our leadership, NATO is ready to supply the necessary forces. The stronger the forces, the better the chance that they will not be attacked and that they will accomplish their mission. All these reasons argue for a significant U.S. military commitment, now that a promising peace agreement has been reached.

In 1991, the Democratic Congress narrowly approved President Bush's decision to reverse the Iraqi invasion of Kuwait, thus mooting the issue of whether the president could have acted alone. Today, the Republican congressional leadership, while sounding somewhat more conciliatory than in recent weeks, is challenging President Clinton to make his case for the proposed deployment. This war powers question has come up repeatedly since the 1950 outbreak of the Korean War, when President Truman committed our forces without first seeking congressional approval, but has never been resolved.

In foreign and national security policy, as in domestic policy, neither Congress nor the president can accomplish very much for very long without the cooperation of the other.

This is so for both constitutional and practical reasons. The Constitution gives Congress the power to ''declare war,'' but both Congress and the president share the power to raise armies and navies and to raise and appropriate funds for their maintenance and deployment. Only Congress can enact such measures, but it needs the president's approval or a two-thirds majority of both houses to override his veto. Only the president can negotiate treaties, but he needs a two-thirds vote of the Senate to ratify them. The president's separate powers are limited to receiving ambassadors, serving as commander-in-chief of the armed forces and faithfully executing the laws. If as commander-in-chief he orders our armed forces into a combat situation, he still needs congressional approval to finance such a commitment over an extended period of time.

Before the United States became a superpower, disputes over the authority to commit our forces rarely arose. We had few occasions to deploy our military units abroad, much less commit them to conflict. Armies, navies and news of battle traveled very slowly. Air forces and long-range missiles did not exist. There was plenty of time after learning of a threatening event for the president to deliberate with Congress about the proper response. Occasionally, presidents committed us unilaterally, as in our attacks on the Barbary pirates in Tripoli in Jefferson's time, but it was rare for Congress to claim that its own prerogatives were being usurped by the president.

Since World War II, all this has changed. As commander-in-chief of the democratic superpower, presidents now deploy our armed forces all over the world. We can attack, or be attacked, within moments. On numerous occasions, presidents have committed our forces to armed conflict, sometimes of a sustained nature as in Korea and Vietnam, without asking Congress to declare war. In Vietnam, as it had in Korea, Congress initially supported the president's initiatives by appropriations and other measures. But as the duration and scope of our military actions in Indochina escalated, an increasingly restive Congress enacted the War Powers Resolution over President Nixon's veto. The resolution laid down a series of rules that require a president ''in every possible instance'' to ''consult with Congress'' before he commits our armed forces to combat or to places in which hostilities are ''imminent.'' It also requires the withdrawal of those forces if Congress fails to adopt an approving resolution within 60 days.

President Nixon and all subsequent presidents have challenged the constitutionality of these prescriptions, but the Supreme Court has never accepted a case that would resolve this dispute and is unlikely to do so in the near future. When presidents ''consult'' with Congress before committing forces, they are careful to avoid saying they do so ''pursuant to'' the War Powers Resolution; they say they do so ''consistent with'' the resolution.

There are obviously situations where modern technology makes advance consultation with Congress impractical—most notably the case where our sensor equipment indicates that a missile attack has been launched on the United States or our NATO allies, or where speed and secrecy are key factors, as in the rescue of American hostages or reprisals against a terrorist act abroad.

But presidents have continued to commit our forces to armed conflict or situations where conflict was clearly ''imminent,'' whether or not split-second timing was imperative. President Ford, for example responded forcefully to an attack on a U.S. vessel (the Mayaguez) off the Cambodia coast; President Carter launched a military mission to rescue our hostages in Iran; President Reagan put our forces into Lebanon, the Sinai, Chad and Grenada and ordered bombing attacks on Libya; President Bush sent troops into Panama, Liberia, Somalia, Saudi Arabia, Kuwait and Iraq.

As for President Clinton, he has already ordered our forces into Somalia, Rwanda, Haiti and Macedonia and has authorized our air units to enforce the U.N. no-fly zone over Bosnia itself.

Moreover, in the 22 years since the War Powers Resolution became law, Congress has never undermined these presidential uses of force by action (or inaction) in a way that would have blocked the mission or required withdrawal within 60 days.

All this does not mean that Congress must cede the power to make national security decisions to the president. Congress successfully forced Johnson and Nixon to limit and finally to terminate the undeclared Vietnam War. Congress successfully stopped Reagan's covert sales of weapons to Iran and his covert and overt military aid to the contras. As these examples show, presidents cannot effectively exercise their separate constitutional powers over national security and foreign policy over an extended period without the cooperation of Congress. That is why Clinton, like Bush in 1990, has invited Congress to express its views before our forces are committed to support the peace agreement in Bosnia.

A week ago Friday, while the Dayton negotiations were still going on, House Republicans passed a bill that would bar the expenditure of any funds to sustain U.S. forces in Bosnia. Fortunately, the Senate is unlikely to follow, and even if it did, a presidential veto would be difficult to override. But the House Republicans who launched this preemptive strike would do better to emulate former Republican congressman Dick Cheney.

In 1990, when we had a Republican president and Democratic majorities in both houses of Congress, Cheney was the secretary of defense. As he said before we entered the Gulf War, ''When the stakes have to do with the leadership of the Free World, we cannot afford to be paralyzed by an intramural stalemate.'' The decision to act, he noted, ''finally belongs to the president. He is the one who bears the responsibility for sending young men and women to risk death. If the operation fails, it will be his fault. I have never heard one of my former [congressional] colleagues stand up after a failed operation to say, 'I share the blame for that one; I advised him to go forward.' ''

This does not mean that Congress must approve the president's proposed commitments without change. For example, following the Lebanon precedent, Congress could require its further approval if the forces were not withdrawn within, say, 18 months, a period that expires after the next elections. The president and Congress have the shared responsibility of finding a solution that shows we can function as a decisive superpower and as a responsible democracy at the same time. The public expects no less.

It may be too late to help in the Bosnia debate, but there is one change in our process for making national security decisions that ought to be adopted. The National Security Council (NSC), the statutory body created to advise the president on national security affairs, consists entirely of officials in the executive branch. When the NSC takes up issues related to the potential commitment of our forces, the president could invite the attendance of the speaker, the majority and minority leaders of the House and Senate and the chairman and ranking members of the national security and foreign policy committees of each house. Since the NSC role is purely advisory, no separation-of-powers issues would arise. In this way Congress, in its own favorite phrase, would be effectively consulted before the takeoff, rather than at the time of the landing. The cooperation on national security issues that the nation wants and expects might still elude us, but the president would have done his part to carry out George Shultz's admonition that trust between the branches must be Washington's ''coin of the realm.''

Mr. NUNN. Mr. President, I think that is a very good article to place in the RECORD. I thank the Senator from Virginia, my friend from Virginia, for his recollection, which is entirely consistent with my own.

Mr. President, during the cold war—in a long period of nuclear confrontation—all of us and most Americans instinctively understood that the Commander in Chief had to make a quick and decisive decision with potentially fatal consequences if certain events took place.

In effect, every President of the United States from 1945 on has had the acknowledged authority and responsibility to respond to aggression by using nuclear weapons, which could result in the destruction of a large portion of mankind, including most of the United States.

With this awesome authority being accepted for so long, recognizing that, if the former Soviet Union attacked the United States, and certainly if they used nuclear weapons, there would not be time for 30 days of congressional debate or probably even 3 days. With that kind of reality having taken place for so long and that kind of assumed authority being vested in the Commander in Chief, how then, in 1995, in a totally different set of circumstances, does Congress exercise its constitutional responsibility to ''declare war?'' And even more relevant in my view, how do we exercise our responsibility in funding these operations?

That is the ultimate power of Congress. Senator BYRD reminds us of that frequently. The ultimate power of Congress is we pay the bills on behalf of the American people. We appropriate the money.

Mr. President, in Grenada, in Panama, Congress played almost no role in those military operations. In Lebanon, we heard President Reagan declare that our military commitment in Lebanon was vital—he used the word ''vital'' several times—to our national security interests. Congress approved the deployment of U.S. military forces with a time certain to perform an ill-defined and uncertain mission which I opposed.

It was almost the ultimate backward way of doing things. We put a time certain on completion of the mission but did not define the mission. So we ended up with a time certain to perform something that no one knew really what it was. That was, I think, a backward way of doing things.

To the credit of the Dole-McCain amendment—and I participated in helping draft the final version of that

amendment—I do think that the current approach is a much better approach than we have had in the past in the sense that, at least, we make it clear what the mission is and there is an effort to define an exit strategy.

We did neither of those things in the Lebanon situation. I voted against it. But, nevertheless, in Lebanon we witnessed the tragic death of hundreds of our marines, uncertain as to why they were there or what they were supposed to do. We saw President Reagan pull the troops out of this ''vital'' area overnight. Since then, we paid very little heed to events in this so-called vital country.

In the Persian Gulf, Congress, without speaking formally, acquiesced in the commitment of several hundred thousand ground troops to protect Saudi Arabia. We watched without taking any action as President Bush deployed such a large force in November of that year, that its rotation was infeasible, and made international commitments at the same time, or very shortly thereafter, to go to war against Iraq on a date certain. Those international commitments to go to war on a date certain were without congressional approval.

By a close vote on the eve of the war, Congress gave President Bush the authority to do what he had committed to do with or without congressional approval.

Mr. President, I do not blame the Presidents for acting and exercising leadership. They can make mistakes like anyone else. That is why we have three branches of Government. That is why the Founding Fathers very carefully separated the right to declare war from the Commander in Chief and placed it in the legislative branch of Government. That is also why all funds have to come from the Congress.

So, the President, whether President Bush or President Reagan or President Clinton, is, when making these decisions, exercising Executive leadership. And they are doing it too many times with a vacuum, a void, coming from the Congress in terms of a response.

So, it is our job to say what the congressional role is. We put up the money, and it is our job to say what we demand in terms of a role. And, so far, I do not think we have done it.

I believe this is the time for the Congress to acknowledge formally what is plain for all to see, and that is the War Powers Resolution does not work. Furthermore, it is not going to work. The longer this outmoded and unworkable legislation remains on the books in its present form, the longer we will continue the illusion—and it is an illusion—that Congress has a meaningful role in the commitment of U.S. military forces to these types of missions.

Certainly, we can come along and we can take an action after the mission is already well underway to cut off funds. That is always a very difficult, very painful way to do business. We have done that only on one or two occasions. We did it in Somalia, in effect, and we do not think we should have to rely on that as the way we do business. We may have to do it again, but it is certainly not the desired way for this Government to function, certainly not in international affairs.

No President will allow U.S. forces to be withdrawn from a military mission because of congressional inaction, as set forth in the War Powers Resolution, nor, in my opinion, should they. The War Powers Resolution provides that if the President commits forces in a hostile area, then Congress, by its inaction, can require those forces be brought home by doing nothing.

That has never worked. I voted for the War Powers Resolution. I wish now I had not because it will never work. It is not sensible. It defies reason. Congress sitting on its hands requiring a President who has committed our military forces to a foreign area where they are in harm's way—maybe even in a war or conflict—and we do not do anything. And the War Powers Act presumes the President will then bring them home. That has never worked. It never will work. The longer we continue to keep this legislation on the books, the more impotent the Congress of the United States will be in exercising its real authority under the Constitution.

Mr. President, we should either amend the War Powers Act to make it workable or we should repeal it and replace it with legislation that is realistic and workable. That is long overdue.

In the post-cold-war world in which the United States is called on to intervene in ethnic, religious and other conflicts in areas that may be important but less than vital, we must find a way to create regular, frequent and comprehensive consultation between the President and the Congress before the President makes concrete commitments and before U.S. troops are committed to harm's way.

Such consultation can, in theory and in reality, take many forms. My preference is the formation of a Congressional Consultation Group, as was proposed almost 7 years ago, by myself, Senator BYRD, Senator MITCHELL, Senator COHEN, Senator WARNER, Senator BOREN and Senator DANFORTH in a bill to amend the War Powers Resolution. I believe Senator BIDEN from Delaware had a similar resolution which he sponsored.

Under that bill, the congressional leadership, including the chairmen and ranking members of the Appropriations, Armed Services, Foreign Relations and Intelligence Committees would meet on a regular and frequent basis with the President to discuss real-world situations that could lead to the involvement of the United States forces. Some have suggested having that group meet on a regular basis with the National Security Council, chaired by the President. It seems to me that thought is worthy of pursuit. I certainly believe that would be one form that this could take.

But whatever the form of consultation, I believe there also needs to be an attempt to forge an executive-congressional consensus on a set of principles that will guide the use of United States forces in the future. This approach starts with the proposition that the United States is the world's only superpower and that we have certain responsibilities that no other nation on earth can fill.

Too many times, when we get into a Third World situation or a situation like Bosnia, or a humanitarian mission like Somalia, or a mission like Haiti, or a mission in other areas of the world, we forget—as our allies urge us to come in and play our role—we forget that we are the only country in the world that can do certain things. Too many times our allies forget that, too. They, of course, want us on the scene every time there is a problem.

But, Mr. President, we need to keep in mind that we are the only nation in the world that can deter the use of weapons of mass destruction. We are the only nation in the world that can lead and coordinate the worldwide effort to avoid the spread of weapons of mass destruction to the Third World and to terrorist groups. We are the only nation in the world that can help preserve the stability in Europe by the presence of American forces that, although dramatically reduced in number, are still very significant in terms of their psychological and their political impact.

We are the only nation in the world that, with our allies in South Korea, can deter and defeat the aggression of North Korea or come to the rescue of nations in the Middle East that are the world's primary source of oil.

We are the only nation that can perform those key and vital functions.

By our military presence, we are the only nation in the world that can give the Japanese the confidence to resist any urge they might have in the future to develop nuclear weapons and go on a real rearmament program that would have a profoundly destabilizing effect in northeast Asia and beyond.

And we are the only nation in the world that can keep open the sea lanes of communication on which not only our trade but also the trade of the world and the economy of the world depend.

Mr. President, these are all key functions. That does not mean we cannot perform other functions like Bosnia, but it does mean that, when we undertake this kind of mission, we and our allies should understand the United States should not be expected to continue a large ground force in an area like Bosnia for a prolonged period of time, because if something goes wrong in Korea, if something goes wrong in the Middle East, if something goes wrong elsewhere in the world, who is going to play the role of superpower? There is no one else on the block.

I believe we can divide America's interests into three broad categories: one

is humanitarian; two is important; and three I would call vital. There is other terminology that people might want to use, but I would like to stimulate at least some discussion and thought about the areas where the United States may be involved.

A humanitarian interest is an interest in which we want to see an alleviation of suffering, but where we do not have a significant strategic interest. This includes cases like Somalia, Rwanda, Burundi, Bangladesh, Sudan—places where people are going through tragic turmoil and, in many places, actually starving.

We see them on television. It brings tears to our eyes. We want to do something about it, but, in my view, this does not mean we should automatically think about sending military forces. In those cases where we want to alleviate suffering, I think our responsibility—again keeping in mind the other responsibilities we have as a superpower that no one else can perform—our responsibility, generally speaking and in most cases, is to say to our allies: we will help you with logistics, we will help you with airlift, we will help you with sealift, we will help you with intelligence, and we will help you with communications, but we want you to do your job by putting in ground forces where necessary for peacekeeping or peace enforcement purposes. Not only to our allies in the traditional sense, but also to nations in the region where the tragedy is occurring.

In other words, on most such occasions, we should do the things only we can do and let others do things they can do.

Mr. President, this probably does not meet the definition of a national security strategy, but I believe we need to start thinking along those lines.

America cannot deploy military forces in all of these humanitarian areas, and when we do, we can get into serious and severe difficulty. Somalia is the best example of that.

To me, a vital interest is one that we are willing to fight for and, if necessary, willing to send our young people off to die for. This is an awesome responsibility. There are not many of those interests in the world, by the very definition of that word, and we have to be very careful in designating an area as a place where we have a vital interest. That word ought to be used very carefully.

Korea is a place where we have vital interests. Without any doubt, we would fight in Korea, if necessary. We have already demonstrated that. We continue to demonstrate it with the presence of thousands of American military forces. We have already demonstrated we have a vital interest in the Middle East in the Persian Gulf war and by the deployment we had—a couple of deployments—just in the last 2 years when the Iraqis again started threatening Kuwait.

Mr. President, we also have had a vital interest in Europe since World War II, and we continue to have a vital interest in Europe. We are a party to the North Atlantic Treaty, which provides for a collective defense in the case of an armed attack against one or more of the parties.

The United States also has entered into bilateral defense treaties with Japan, the Philippines, and the Republic of Korea. We have entered into a multilateral defense treaty with Australia and New Zealand—although in the latter case, our obligations under that treaty have been suspended with respect to New Zealand since September of 1986 because of differences on the question of port visits of nuclear-powered warships. Mr. President, under that treaty, we have committed to meet the common dangers of an armed attack on our treaty partners in accordance with our constitutional processes. That is the case in most of these treaties.

And, of course, the area Senator LUGAR and I have emphasized more than any other in the last 2 or 3 years, and where we have the most profound and difficult national security challenge in the next 10, 20 years, or even longer, is that we have a vital interest in preventing the proliferation of weapons of mass destruction—not simply nuclear weapons, but chemical as well as biological weapons, which can literally kill tens of thousands of people in an instant. That is also a vital interest because it could be a direct threat to our Nation and to our friends in the world.

Now, the most difficult of all of these areas is the third category, the one that fits between vital and humanitarian, and the term that I use is ''important interest.'' An important interest is an interest that is more than a mere humanitarian interest, but does not rise to the level of a vital interest. There are overlaps between these categories. They no longer come in a neat package. The most difficult can be exemplified by Bosnia, where I have long believed we have had an important interest but not a vital interest. I do believe that we have a strategic and even a vital interest in preventing that conflict from spreading. If it spreads to other areas, then it could indeed become vital. When an important but not vital interest becomes a test of NATO solidarity—as has happened in the case of Bosnia—when an important interest becomes a test of United States leadership in NATO and of United States credibility and commitment in the world, it moves into a category beyond important. Such is the case in Bosnia.

We must also bear in mind when considering the deployment of our forces for other than a vital interest that the cumulative impact of such deployments may interfere with our responsibilities as the world's lone superpower in areas which are truly vital to U.S. security and the American people.

Returning, briefly, to the subject of Executive-Congressional consultation, I note that the majority leader, Senator DOLE, introduced S. 5, the Peace Powers Act of 1995 earlier this year, which, in part, would have repealed the War Powers Resolution but re-enacted the consultation and reporting provisions of the War Powers Resolution.

Mr. President, I also note that the May 1994 White Paper entitled ''The Clinton Administration's Policy on Reforming Multilateral Peace Operations,'' stated that the administration would support legislation along the lines of that introduced by myself, Senators Mitchell, BYRD, WARNER, and COHEN, to amend the War Powers Resolution to introduce a consultative mechanism and to eliminate the 60-day withdrawal provisions.

Based upon these developments, Mr. President, I believe it is very important in the next year that we have a chance to forge a bipartisan approach that would meet the needs both of the Congress and of the administration and that would foster a more cooperative approach between the two branches on important national security decisions. When our military forces go into harm's way, they have every right to expect that both the executive branch and the legislative branch have been involved in the decisionmaking and are behind the mission. That is something we owe the military men and women who serve in our forces abroad.

Mr. President, I intend to introduce legislation early next year to address this very important issue. It has been delayed too long in terms of dealing with it. I repeat, the longer we pretend that we have on the books legislation that covers congressional responsibility in this important, crucial area, the longer we deal with an illusion which has no basis in reality. Mr. President, I solicit input from all Members of the Senate on both sides of the aisle on this issue. I hope we can address it before the next crisis arises.

I thank the Chair, and I yield back whatever time I have remaining.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULE

Mr. DOLE. Mr. President, we have had a number of inquiries about what the schedule will be for the remainder of the day. Frankly, I do not know. It depends on the meeting, which will take place here in a few moments with White House representatives and Members of the House and Senate, on the budget. It is my understanding that if a serious budget is proposed and presented by each side, then the House will be prepared to send us a short-term continuing resolution that would

take us through at least next Tuesday. If that develops—and it may be later on today—I would have to check and see if there would be a request for a rollcall vote on either side. If not, we might be able to advise our colleagues within the next hour as to what the program will be.

It is also my hope that on the defense authorization bill, even though the House does not take up the conference report until 4 o'clock, we might reach some time agreement on that bill to permit us to start debate earlier than 5 p.m.—in fact, early afternoon—and we can debate it on Monday and have that vote sometime around 11 o'clock on Tuesday morning.

So what I am suggesting is that if everybody wants to cooperate, we may be able to work it out so there might not be any votes for the balance of the day or on Monday, and a vote will occur on Tuesday at around 11. But I cannot make that statement definitely at this time.

So that is what we are working on. If my colleagues have ideas or objections or suggestions, I hope they will be in touch with me or staff between now and, say, 12:15.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I shall speak longer than 5 minutes, but I do not think I will be longer than 10 minutes. I ask unanimous consent that I may speak as long as I require.

The PRESIDING OFFICER. Without objection, it is so ordered.

DR. RICHARD C. HALVERSON

Mr. BYRD. Mr. President, the founder of Methodism, John Wesley, declared, ''The world is my parish.'' In a like fashion, Dr. Richard Halverson might have declared that the Senate side of the United States Capitol, the city of Washington, DC, and the United States of America were his parish.

No one who ever passed Dr. Halverson in the hallways or in the streets of this Federal community had any reason to doubt that Dr. Richard Halverson was a man in whom the Light of God's Love shone brightly. From the men and women who clean our offices at night to the men and women who prepare the meals in our dining rooms and cafeterias, to the men and women who deliver the mail throughout the office complexes, to the men and women who police the streets of Capitol Hill, to the men and women who serve in the offices of Senators and on the elevators and in committee staffs to the men and women who sit on the Floor of the United States Senate as elected officials of the fifty sovereign States, no one was beyond Dr. Halverson's love, his ministry, and his care. If one followed Dr. Halverson throughout his daily routine, one would not find a man more possessed by, as well as animated by, the Capitol Spirit of the Living God. I have met few men in any ordained order of the clergy or any denomination, who fit the phrase ''Men of God'' so well as did Dr. Halverson.

Dr. Richard Halverson was a man of plain speech and honest demeanor. His eloquence was often in his simplicity. No problem brought to him by one of us or by anyone on Capitol Hill was too small for his attention or too menial to call forth from him a prayer or a blessing. Having come from a major Washington parish—The Fourth Presbyterian Church on River Road—a church numbering among its members thousands—Dr. Halverson, on assuming the chaplaincy of the U.S. Senate, shouldered his duties without missing a beat. During his years of service among us, he was in much demand nationwide to share his spiritual maturity and the depth of his insights with thousands upon thousands of people in conferences across our country. In spite of the demand upon his time, however, Dr. Richard Halverson never neglected his primary duty here in the United States Senate. Working as one man among ordinary men and women—the men and women elected to the high position of United States Senator, Dr. Halverson seemed to grasp instinctively our needs as human beings first and our needs as Senators second. In all of the years of his service here, Dr. Halverson sowed seeds of faith, and kindness, and love that will continue to bear fruit in all of our lives, and in the life of this institution long after all of us have departed its halls.

I am particularly grateful to Dr. Halverson for the pastoral care that he lent to me personally during the ordeal of the loss of my beloved grandson in a truck accident. And I remember with thankfulness his ministry to my wife during her seasons of illness and debility. And I shall never forget the witness that Dr. Halverson shared with me of his own faith as he and I opened our hearts to one another and searched the deeper things of life in sometimes casual conversations or in moments of profound insight. If ever there were a model of the ''Priesthood of all Believers,'' Dr. Halverson was a priest of that order of ''Melchisedec'' spoken of in the Holy Scriptures. Dr. Halverson had the enviable ability to share his faith in God as one might recommend to another his Best Friend. For Richard Halverson, God was no abstraction, but the first reality of waking in the morning, traveling forth into the world by day and returning home at night to his slumber.

I saw the sun sink in the golden west;
No angry cloud obscured its latest ray.
Around the couch on which it sank to rest
Shone all the splendor of a summer day.
And long, though lost to view, that radiant light,
Reflected from the sky, delayed the night.
Thus, when a good man's life comes to a close,
No doubts arise to cloud his soul with gloom,
But faith triumphant on each feature glows,
And benedictions fill the sacred room.
And long do men his virtues wide proclaim,
While generations rise to bless his name.

I have no doubt that Dr. Halverson has indeed now gone to his reward in that Eternity for which each of us yearns in his heart of hearts. Death can be no victor over the life of a man like Richard Halverson—a man whose daily walk and whose wisdom were rooted in the Eternal Word of God. Indeed, as Jesus said, when he saw Nathanael coming to him, we might also say of Dr. Richard Halverson, ''Behold an Israelite in whom there is no guile.''

My wife and I extend our deep deepest sympathies to Mrs. Halverson and to the family of Dr. Halverson. He was not slick; he was not even particularly polished, perhaps, but neither was the Jesus Christ whom he served. This was not just a vocation, it was an avocation, and what you saw was what you got.

As I said to his son after Dr. Halverson's passing, I have no doubt—and I had no doubt that Dr. Halverson knew—of his son's grief. I felt that way when my own foster father passed from this earthly life. I felt that way when my grandson was taken at the age of 17. I felt that his spirit still lived, and that he knew of my grief.

Dr. Halverson knows today of his family's grief. They can take solace in the promise that he still lives, and that they can one day be reunited with him.

ROSE STILL GROWS BEYOND THE WALL

Near a shady wall a rose once grew,
Budded and blossomed in God's free light,
Watered and fed by morning dew,
Shedding its sweetness day and night.
As it grew and blossomed fair and tall,
Slowly rising to loftier height,
It came to a crevice in the wall,
Through which there shone a beam of light.
Onward it crept with added strength,
With never a thought of fear or pride.
It followed the light through the crevice's length
And unfolded itself on the other side.
The light, the dew, the broadening view
Were found the same as they were before;
And it lost itself in beauties new,
Spreading its fragrance more and more.
Shall claim of death cause us to grieve,
and Make our courage faint or fall?
Nay! Let us faith and hope receive:
The rose still grows beyond the wall.
Scattering fragrance far and wide,
Just as it did in days of yore,
Just as it did on the other side,
Just as it will forevermore.

Mr. President, I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

SENATOR BYRD'S STATEMENT

Mr. THOMAS. Mr. President, I think we all are grateful and thankful for the

eloquent remembrance by the Senator from West Virginia.

I am sorry that I did not have the opportunity to know Dr. Halverson and was not a participant in the prayer breakfasts. I attended his service this week. The Senator from West Virginia certainly does him great honor, and we appreciate it.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

THE REFUGEE PROGRAM

Mr. LAUTENBERG. Mr. President, yesterday my good friend and colleague from Wyoming, Senator SIMPSON, made some comments, and particularly made reference to the so-called Lautenberg refugee program. Though Senator SIMPSON and I agree on some things and disagree sharply on some things, there is, on balance, mutual respect and I might even say affection. So where we disagree on this issue, it is because of a perspective on the issue.

However, during his presentation on the floor, he used references such as the so-called Lautenberg refugee bill. He used adjectives like derelict or deficient, that this bill was no longer of any value, and I just would like to clear the record.

Current law, under our immigration code, facilitates the granting of refugee status for certain historically persecuted groups. The existing law formally recognizes the historic experiences of certain persecuted religious minorities in the Soviet Union and Indochina, and the pattern of our denial of refugee status to members of those minorities entitles them to a relaxed standard of proof in determinations about whether they are refugees. The law lowers the evidentiary standard required to qualify for refugee status for Evangelical Christians, for Jews from the Soviet Union, certain Ukrainians, and some categories of Indochinese.

Once a refugee applicant proves that he or she is a member of one of these groups, he or she has to prove a credible basis for concern about the possibility of persecution. Refugee applicants normally must establish a well-founded fear of persecution. The law has had a real and positive impact on refugee adjudication for persecuted individuals.

In his comments to the Senate yesterday, Senator SIMPSON said that there is evidence that members of the Russian mafia are using the program to enter the United States. I want to be perfectly clear that the refugee program was not intended to enable criminals to enter our country. It was not designed to facilitate entry into the United States by those not qualified under the description of refugee status.

Further, Mr. President, in my former life I was in the computer business and still have a lot of contact there. I have seen many of these people who have come, under the refugee exclusion, into the design and programming phases of the computer industry, many of them entrepreneurs. I have met those who, in a very short period of time, have learned enough of the English language to practice law and become physicians. So we dare not accept one generalization that those who are using the program are principally members of the Russian mafia, that the gangsters are using this, because if they are, then it is not the fault of those who are coming.

It is my understanding that under United States law an applicant should be denied refugee status if our Government knows that he is a criminal, or for some reason or other is excluded from entry into the United States. So where does the responsibility lie? It lies with the INS or the State Department. They have to do a better job in weeding those people out based on current law.

The refugee program was intended to help historically persecuted religious minorities, certainly not criminals.

My friend, the Senator from Wyoming, also said the program is no longer necessary because we have good relations with Russia and that the program has been abused. As a matter of fact, I was stunned when I heard the Senator from Wyoming describe Russia as our best friend. I would say that is hyperbolic at least. Russia, our best friend? We want them to be a good friend, we want them to be an ally, but certainly one cannot say that they are now our best friend and that they are behaving like a democracy as we know it. And although he describes the program as being discredited, the fact is that it has served as a useful opportunity for those who are very concerned about what is going to happen and what has taken place in terms of their relationship with Russia and the former Soviet Union countries.

There is still a tremendous amount of instability in that area, and although antiSemitism is no longer officially State sponsored, its roots run deep throughout the culture and its effects are felt in incidents across Russia and many of the other former Soviet Union countries. And now we are all made abruptly aware that on this coming Sunday, when elections are going to be held in Russia, there is a strong belief that those who are most likely to win seats are members of the Communist Party, avowed reformists. But the fact is we know that if people are looking fondly back to electing Communists to Government, with it goes a standard that has been set by those people for decades in that area. And so those who have been harassed in the past, who are likely to run into problems are very worried about what the future holds.

So if there are some who seek to abuse the program, as Senator SIMPSON claims, it is the responsibility of our Government to weed out that abuse. We do not stop collecting taxes in this country if someone abuses the Tax Code. What we do is we go after them vigorously. And the same thing is true here. Our Government should eliminate the abuse if there is any in the program. It is not a reason to say that a program that has helped legitimate refugees is discredited.

Mr. President, the House version of the State authorization bill includes a 1-year extension of this program, a program that has provided a useful escape valve for historically persecuted people who come to this country and make a contribution to our society. In light of existing instability in the former Soviet Union, I believe that this program ought to be extended for another year. What it takes is our conferees in discussion to agree with the House.

I hope that will take place to give this program another year to work until we see what the conditions are going to be like in Russia in particular and some of the other countries of the former Soviet Union.

I yield the floor.

REFUGEES FROM FORMER SOVIET UNION

Mr. KENNEDY. Mr. President, yesterday, the distinguished chairman of the Senate Immigration Subcommittee, spoke against the Lautenberg amendment which assists refugees from the former Soviet Union and which is reauthorized under the House version of the State Department reauthorization bill.

I support the amendment because it works. It has facilitated the rescue of more than 250,000 persecuted Jews and other minorities from the former Soviet Union since Congress adopted it in 1989. For decades, the United States led the world in seeking the release of the refuseniks and urging freedom of emigration under the Jackson-Vanik amendment. Having come this far, we should not abandon this historic commitment by bringing this humanitarian program to a premature end.

Clearly, major political changes have occurred in the region. The Soviet Union is now the former Soviet Union. And most people there enjoy greater freedom today than they did a decade ago.

But we only need to read the headlines to know that the region continues to face great upheaval. Jews and other minorities in the former Soviet Union are still the victims of persecution and deep-seated hatred and antisemitism.

When Senator SIMPSON and I met with the U.N. High Commissioner for Refugees earlier this year, she said she considered the former Soviet Union to be the most explosive part of the world for refugees. And visitors to the region over the past year have discovered alarming levels of anitsemitic persecution.

An American delegation to the Ukraine in March found that Jews were victims of an organized harassment campaign. Many Ukrainian Jews received anonymous notices that read,

''We give you the last opportunity to leave our Ukraine. Get out if you don't want to die.'' The fact that Jewish families in the former Soviet Union can be threatened repeatedly, denied employment, have their children mocked and beaten in school, and receive death notices like this one—all because they are Jews and all with the authorities standing idle—is ample evidence that these families need America's continuing support to provide a lifeline. That is what the Lautenberg amendment does.

If there are abuses in the program, as SIMPSON states, we are prepared to work with him to address them, and I know that Senator LAUTENBERG joins in that commitment.

Those who come to the United States under this program are checked against lookout lists and criminal databases, as are others who seek to enter the United States. As in all immigration programs, we deny entry to known criminals and any others excludable under the law. The numbers requiring help and rescue under the Lautenberg amendment are declining. But we must not bring this historic help to a hasty and premature end.

Mr. President, I ask unanimous consent that two articles which describe some of the problems facing Jews in the former Soviet Union be printed in the RECORD.

There being no objection, the articles are ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Jan. 27, 1995]

LIBERATORS OF AUSCHWITZ YET TO LEARN ITS LESSON

(By Wendy Sloane)

In the last few years, Alexander Kleiman has witnessed a series of attacks on the Moscow Choral Synagogue, one of only two synagogues left in the capital after a third burned down in unexplained circumstances.

Two years ago, vandals smashed several windows of the dilapidated building in central Moscow. This winter, ''Save Russia, Kill the *Zhids* [a derogatory word for Jews]'' was scrawled in bright paint across the building. A week later, the front façade was shot up with bullets.

''Russians learn to call a Jew a zhid from the moment they're born. Anti-Semitism is in their blood,'' says Mr. Kleiman, the synagogue's chief administrator.

''If the American president and Congress allowed all [Russian] Jews to immigrate,'' he says, ''I can guarantee that 90 percent would leave.''

As the world commemorates the 50th anniversary of the Soviet Army's liberation of the Nazis' Auschwitz death camp in Poland today, anti-Semitic sentiments are increasingly common in Russia, and the government is doing little to stem the tide.

SCANT ATTENTION

While Russians have complained that the world community has made little mention of the fact that it was largely Russians who liberated the camp, they have done little to commemorate the event themselves.

Alla Gerber, a Jewish deputy to the State Duma (lower house of parliament), said no ceremony would have been held in Russia had she not organized an event. Neither President Boris Yeltsin nor his closest aides will attend the ceremonies in Poland.

''The current period of economic crisis, combined with an absence of real power and a spiritual vacuum, is giving rise to fascism and anti-Semitism here,'' says Ms. Gerber, who represents the liberal Russia's Choice parliamentary faction and is one of the few deputies—who are both Jewish and non-Jewish—to speak out against anti-Semitism.

''What will happen depends on how the government decides to use the idea of Russian nationalism, either as a patriotic idea or as a totalitarian fascist one,'' she says.

President Yeltsin marked the anniversary Wednesday by rehabilitating millions of gulag prisoners who were imprisoned by Josef Stalin after World War II for suspected collaboration with Nazis. But he did not mention that most of the estimated 1.5 million people who died in the Auschwitz-Birkenau death factory were Jews.

In a speech to the United Nations last September, Yeltsin officially condemned anti-Semitism. But he has yet to do so on Russian soil.

''Both the authorities as well as leaders of democratic parties presume that if they make an official statement it will reduce their authority in the eyes of their electorate,'' says Mikhail Chlenov, chairman of the Vaad, an umbrella organization that brings roughly 275 Jewish groups together.

''I would say that anti-Semitism has become an integral part of Russian politics,'' he adds.

Politicians ranging from local deputies to ultranationalist Vladimir Zhirinovsky have risen to prominence on anti-Semitic platforms, and some senior bishops in the Russian Orthodox Church routinely accuse Jews of exerting undue influence.

Some Jewish leaders have received death threats, and members of anti-Semitic groups are often seen at public rallies, holding placards accusing Zionists of ruining the country as part of a ''Jewish-Masonic conspiracy.''

A STEP BACKWARD

Russia has ''returned to a period of anti-Semitism, ultrareactionary [attitudes], and chauvinism, patronized by law-enforcement bodies,'' said Sergei Gryzunov, chairman of Russia's State Press Committee, at an international antifascist forum last week.

He referred in particular to the ''huge number'' of legally issued nationalist and chauvinist publications that have sprung up since the Soviet collapse.

But Viktor Korchagin, director of the Russian Patriot's Library publishing house, says he has a simple solution to what he terms the ''Jewish question.'' To rid Russia of anti-Semitism, he says, Russia must simply rid itself of its estimated 750,000 Jews.

''We're not advocating the return of pogroms,'' he says, referring to the organized persecution and massacre of Jews in czarist Russia. ''We just want President Yeltsin to decree that all Jews be deported.''

Mr. Korchagin insists that he is targeting the ''Jewish mafia''—which in his view includes all government ministers, all of Yelstin's aides, and all the top editors of Russia's major newspapers—not the Jewish people.

''The most powerful mafia in Russia is the Jewish mafia. They steal from the people, but the editors don't write about it because they themselves are all Jews,'' he says. ''If we don't want anti-Semitism to exist in Russia, then all Jews should leave.''

According to a poll conducted by the respected National Center For Opinion Research, 45 percent of Russians believe that other nationalities should be expelled, while another 31 percent spoke out against equal rights for other races.

[From the Jewish Advocate, May 12–18, 1995]

SYNAGOGUE BOMBING ROCKS RIGA COMMUNITY

(By Debra Nussbaum Cohen)

NEW YORK (JTA).—One day before Riga's Jewish community celebrated the 50th anniversary of the end of World War II and the Holocaust, a bomber planted explosives at the Latvian city's sole remaining synagogue.

The bomb exploded at 4 a.m. local time in the early hours of the Sabbath day, shattering the Peitavas Synagogue's glass windows and light fixtures and ruining its basement sanctuary, according to Mordechai Glazman, one of two Lubavitch rabbis at the synagogue. There were no injuries.

Most of the community's Jewish residents, who number between 14,500 and 20,000, think that the bombing is related to what is known in Latvia as the Day of Freedom, which marks the end of the war, Glazman said in a telephone interview from Riga.

It is considered an especially significant holiday in the Jewish community, he said.

In the wake of the attack, Latvia's president and prime minister made unscheduled visits to the synagogue and Riga's Jewish cemetery to mark the holiday Monday.

The officials had originally planned to honor the Latvian, Russian and German soldiers who died in the war at their respective cemeteries, Glazman said.

They joined the Jewish community's leaders, Holocaust survivors and Jewish army veterans in a ceremony to honor the dead.

Latvia's president, Guntis Ulmanis, put flowers on a mass grave of Jewish soldiers, in the cemeteries and told the hundreds of people gathered that the government would do everything it can to apprehend and punish the perpetrators, Glazman said.

''The prime minister said that it's probably people with an interest in making a bad name for Latvia in the world who did this,'' he said.

There has been a disturbing rise in anti-Semitism in Riga, the rabbi said.

Last week, the police confiscated 1,000 copies of Mein Kampf and arrested the printer, who had produced Adolf Hitler's autobiography in Latvian. Four thousand copies had already been sold, said Glazman, and 5,000 more were scheduled to be printed.

Hundreds of the city's Jewish residents visited the synagogue Sunday to witness the damage for themselves.

The blast left the first-floor sanctuary, used for worship twice a day, unusable, said the rabbi's wife, Rivki Glazman.

[From the Jewish World, Mar. 3–9, 1995]

FREEDOM TO HATE JEWS IN TODAY'S RUSSIA

(By Walter Ruby)

A top leader of ex-Soviet Jews in the United States believes that Jews in Russia face greater peril from an explosion of anti-Semitic violence today than at any time in memory.

Leonid Stonov, a longtime refusenik who emigrated to the U.S. in 1990 and today serves as president of the American Association of Russian Jews, told members of the Long Island Committee for Soviet Jewry (LICSJ) that he returned from a recent visit to Moscow fearful that a fascist takeover of Russia may be only weeks or months away.

Stonov, a leading representative of the Union of Councils for Soviet Jews, spoke recently by telephone from his home in Chicago with LICSJ members gathered at the North Woodmere home of Murray and Rhoda Dorfman.

''Russia is moving rapidly toward fascism in the same way that Germany did in the 1930s,'' said Stonov, ''and, as in Germany, anti-Semitism is an integral part of the fascist movement.''

According to Stonov, when the Russian State Duma—the lower house of Parliament—held hearings on fascism, ''[ultra-nationalist leader Vladimir] Zhirinovsky said that the real danger to Russia came from 'democratic fascism,' while others spoke of the perils of 'Masonic fascism.' Never before in Russia—even during Czarist time—had there been such open, animal expressions of anti-Semitism during parliamentary discussions.''

Stonov was speaking to LICSJ members who had gathered to view a screening of *Freedom To Hate* on WLIW–TV (Channel 21), together with the film's director, Ray Errol Fox. The hour-long documentary, narrated by Dan Rather and introduced by Jack Lemmon, explores the upsurge of anti-Semitism in the former Soviet Union.

Freedom To Hate includes extensive interviews with leaders of the neo-Nazi Pamyat movement, discussions of fascism and anti-Semitism with such prominent Russians as poet Yevgeny Yevtushenko and commentator Vladimir Posner, and interviews with Russian Jews victimized by anti-Semitic violence.

Though filmed mainly in 1990 and 1991, the documentary closes with a recent scene of Zhirinovsky delivering a menacing speech, showing that the conditions portrayed in the film still exist.

Although Stonov noted that the fear of imminent pogroms in 1990–1991 has largely abated, he said that ''the situation is far more dangerous for Jews today than it was when this film was being made. In those days, it was only Pamyat . . . a relatively small organization . . . that was openly espousing anti-Semitism. Today in Russia, there are 137 open anti-Semitic newspapers being sold on the streets . . . and the influence of the anti-Semitic organization is growing rapidly.''

He added, ''The danger is not only from Zhirinovsky. There is Alexander Barkashov, who heads his own growing anti-Semitic organization with its own private army. Another prominent anti-Semite is Nikolai Lysenko, who argues that Russians should be particularly afraid of Jews who forego involvement in Jewish affairs, but instead are active in Russian politics, business and cultural life.''

Lysenko is a former Pamyat member now in the Duma. Zhirinovsky's Liberal-Democratic party won about 25 percent of the vote in the parliamentary elections of 1992.

Stonov said he is concerned that with the collapsing popularity of President Boris Yeltsin in the wake of the brutal war in Chechnya, the heir apparent may be former vice president Alexander Rutskoi. Rutskoi was jailed by Yeltsin in October 1993 for inciting to rebellion, but the nationalist-dominated Parliament ordered him set free in early 1994.

Stonov noted that Rutskoi, formerly considered sympathetic to Israel and Russian Jewry, has in the past several years forged close political ties with the coalition of former Communists and Russian nationalists who believe Jews are responsible for many of Russia's ills.

Asked about Rutskoi's declaration during a 1992 visit to Israel that his mother was Jewish, Stonoff wryly noted that during a visit to Warsaw, the former vice president had also declared his mother to have been Polish, In any event, said Stonov, Rutskoi's comments in Israel were barely mentioned in the Russian media.

Queried as to why Russian emigration to Israel has dropped to one third the level of 1990–1991 if the peril to Jews has increased, Stonov responded. ''One might also ask why, after the Los Angeles earthquake, people began rebuilding their houses.

''Many of the Jews who have remained in Russia have deep psychological roots there. Others have gone into business in Russia. They don't want to believe the situation there will end like it did in Germany. Still, with the rapid worsening of the situation, I am expecting a major new wave of emigration.''

In the wake of Yeltsin's Chechnya misadventure and increasing movement toward the right, Stonov contended that ''the political situation in Russia is dramatically changing for the worse and the West seems to be unaware of what is happening. America doesn't seem to understand that the democratic order in Russia is again under threat.

''I think the Clinton administration should be pressing the Russian government to move faster toward a market economy,'' continued Stonov. ''Credits should be given to Russia only if real privatization is carried out there. When the West gives credits without privatization, all the money just ends up in Swiss bank accounts.''

While attending an anti-fascist forum during his Moscow visit, Stonov found that all the democratic leaders feel extremely threatened by what is happening. ''[Human Rights Commissioner] Sergei Kovalyov had very sad words. He said, 'We Russians are ruled by scum and we are scum for allowing that to happen.'''

Noting that Yeltsin has never directly denounced anti-Semitism in Russia, Stonov said, ''Anti-Semitism is flourishing as never before, in part because there are no official constraints.'' He added, ''If there were free elections tomorrow, the fascists would probably not win in Moscow, but they would do very well in provincial areas like the Urals, parts of Siberia, and Krasnodar in southern Russia. The political position of the fascists is very strong, and they are now in a position to stimulate a pogrom from the podium in the State Duma.''

Stonov praised Freedom to Hate as ''a very important work that will hopefully help to get across the message of how perilous the situation of Jews in the former Soviet Union really is.''

But, he said to the LICSJ group, he has had a hard time getting the film screened. ''Many people, including prominent Jews, have accused me of exaggerating the situation.

''Despite everything that has happened recently, there is still a kind of euphoria in this country among American Jews about the situation in Russia.

''The way that I present the situation is intense,'' said Fox, ''but everything I show is true. I don't know how else to show the situation in order to get the message across.''

Lynn Singer, longtime executive director of LICSJ, remarked, ''All people of good will need to redouble our efforts to get out the word about the deadly peril facing Jews in the former Soviet Union.''

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

CHILD ABUSE

Mr. DORGAN. Mr. President, yesterday I spoke here about the Interior conference legislation. I talked some about the issue of child abuse, particularly with respect to native Americans, and about some of the difficulties that I have witnessed and held some hearings about.

I described Tamara DeMaris, who was placed in a foster home at age 3 and severely beaten. Her nose was broken, her arm was broken, her hair pulled out by the roots. Why? Because one person was handling 150 cases and did not have time to check where they were putting this 3-year-old kid, so this poor 3-year-old was put in an unsafe foster home where drunken brawls ensued and this child was beaten severely.

We need to do better than this. That was the point I was making yesterday. Children cannot deal for themselves. They are not responsible for themselves. We are responsible to help children in this country who are helpless, to give hope to children who are hopeless. It is our responsibility.

I read a few days ago a piece in Time magazine that I wish to read to the Senate, not in its entirety, but I would ask all of you to read the article in its entirety, because it, too, relates to the question of what are we doing to protect children in this country. I am not talking about the children that go to bed safe and secure at night in a good home, that is warm, having just had a good meal. I am talking about children who come from circumstances of poverty and neglect and abuse, and who cannot help themselves.

On the cover of Time magazine was a picture of a young girl named Elisa Izquierdo. Let me read part of the magazine article to you because it describes something we all must understand—behind all of these discussions about policies and numbers are people, some of whom are desperately reaching out for help.

''Little Elisa Izquierdo liked to dance, which is almost too perfect,'' the article says, this article written by David Van Biema in the December 11 Time magazine. It says:

Fairy tales, especially those featuring princesses, often include dancing, although perhaps not Elisa's favorite merengue. Fairy-tale princesses are born humble. Elisa fit that bill: she was conceived in a homeless shelter in the Fort Greene section of Brooklyn and born addicted to crack. That Elisa nevertheless had a special, enchanted aura is something that the whole city of New York now knows. ''Radiant,'' said one of her preschool teachers, remembering a brilliant smile and flashing black eyes. ''People loved her,'' adds another. ''Everybody loved her.'' And, unlikely as it may seem, there was even a prince in Elisa's life: a real scion of Greece's old royalty named Prince Michael, who was a patron of the little girl's preschool. He made a promise to finance her full private school education up to college, which is about as happily ever after as this age permits.

Fairy tale princesses, however, are not bludgeoned to death by their mothers. They are not violated with a tooth brush and a hair brush, and the neighbors do not hear them moaning and pleading at night. Last week, two months before her seventh birthday, Elisa Izquierdo lay in her casket, wearing a crown of flowers. The casket was open, which was an anguished protest on someone's part; no exertion of the undertaker's art could conceal all Elisa's wounds. Before she smashed her daughter's head against a cement wall, Awilda Lopez told police, she had made her eat her own feces and used her head to mop the floor. All this over a period of weeks, or maybe months. The fairy tale was ended.

This is a story of desperation and a story of one murder. Twenty-three thousand people are murdered in this country every year. This little 6-year-old girl is one, murdered by her mother. But let me read some of the description of what the girl went through. The reason I am describing this is that we failed, the system failed, the child welfare agency failed, and the programs failed to help this girl.

''Drugs, drugs, drugs—that's all she was interested in,'' says neighbor Doris Sepulveda, who watched the Lopezes trying to sell a child's tricycle outside their building. Another neighbor, Eric Latorre, recalls seeing the whole family out at 2 a.m. as Awilda [the mother] sought crack. . . . [Her mother] reportedly had come to believe that little Elisa, whom she called a mongoloid and a filthy little whore, had been put under a spell by her father—a spell that had to be beaten out of the child. Neighbors, some of whom say they called the authorities, later told the press of muffled moaning and Elisa's voice pleading, ''Mommy, mommy, please stop! No more! No more! I'm sorry!'' Law-enforcement authorities have provided a reason for those cries: they say Elisa was repeatedly sexually assaulted with a toothbrush and a hairbrush. When her screams became too loud, [her mother] simply turned up the radio.

Elisa stopped attending school, and neighbors say they saw less and less of her. On November 15, Carlos Lopez was jailed again for violating his parole agreement. On November 22, the day before Thanksgiving, all that was twisted in Awilda apparently snapped. One of her sisters, quoted in the New York Times, reported a chilling phone conversation with her that night: ''She told me that Elisa was like retarded on the bed, not eating or drinking or going to the bathroom. I said, 'Take her to the hospital, and I'll take care of your other kids.' She said she would think about it after she finished the dishes.''

The next morning Awilda called Francisco Santana, a downstairs neighbor. ''She was crying, 'I can't believe it, tell me it's not true,'" he says. When he arrived at her apartment, she showed him Elisa's motionless body. He put his hand to the child's cold forehead, pronounced her dead and spent the next two hours pleading with Awilda to call the police. When he finally called himself, he says, she ran to the apartment roof and had to be restrained from jumping. When the police arrived, she confessed to killing Elisa by throwing her against the concrete wall. She confessed that she had made Elisa eat her own feces and that she had mopped the floor with her head. The police told reporters that there was no part of the six-year-old's body that was not cut or bruised. Thirty circular marks that at first appeared to be cigarette burns turned out to be impressions left by the stone in someone's ring. ''In my 22 years,'' says Lieutenant Luis Gonzalez, [the police lieutenant], ''this is the worst case of child abuse I have ever seen.''

. . . an aspect of the tragedy's aftermath [according to this magazine article] . . . has also dumbfounded the [people of New York who shared in this tragedy]. The people of New York could do nothing about Awilda's drug-induced delusions or her timid neighbors. But they wanted an accounting from the CWA [Child Welfare Agency].

This story describes report after report after report that was made to the Child Welfare Agency.

Instead, Executive Deputy Commissioner [of the Child Welfare Agency] Kathryn Croft has steadfastly maintained that the state confidentiality laws designed to protect complainants prevent her from revealing any details of the case. Thus the public may never know how many cries for help the agency actually recorded or what it did about them. It may never know whether the CWA really made an extended effort to observe Awilda before [returning that child to this mother].

Mr. President, I have not read all of this article, but it is sufficient to describe what happens to some children in this country. I described several of them yesterday. This is another, a little 6-year-old girl from New York who was failed by our system.

I am investigating at the moment to find out why a child welfare agency would not be willing to disclose what exists in these files. Who contacted them? When did they contact them? Who failed this child? Who did not follow up? Why did they not take this child away from a mother who was torturing her? Why is this child dead?

Confidentiality laws apply to protect people from disclosure of sensitive information about a family that is dealt with by the child welfare agency. It is not a confidentiality statute designed to protect the agency from an investigation. I am trying to find out what kind of Federal circumstances exist that can pry open the child welfare agency's records to find out, how did this happen?

At the end of this story, it describes again a common problem. It describes city, State, and Federal Government budgets that have cut one-sixth from the child welfare agency's budget. The head of the child welfare agency estimates that her caseworkers' caseload is going up. They simply cannot do enough investigations.

It is what I described yesterday. The caseload on the reservation in North Dakota was so high that the social worker who was in charge of those cases put Tamara DeMaris, a young and innocent 3-year-old girl, in a home where she was beaten severely, in a foster home that was not safe. Here, we have a caseload apparently that does not permit a welfare agency to deal with issues of life or death for 6-year-old girls in New York City.

There is something fundamentally wrong. The reason I bring this to the floor is because we are talking about all of these spending areas, all of these areas of Federal spending, and we get phone calls and my colleagues get phone calls saying we have got to cut Federal spending. I do not disagree with that. We have to balance the budget. I do not disagree with that.

Does anybody in this Chamber under any circumstances, or any anybody in any State legislature or in any city council, believe that a 6-year-old does not deserve the protection that society must give her when she is being sexually abused and beaten, and, yes, threatened with murder? Does anybody believe that is not our responsibility?

This country fails these children when we do not decide to debate these kinds of issues in the context of what we must do to protect these kids? It is not a question of anybody that thinks it does not matter or whether you have enough social workers to protect these children. In my judgment, we are not doing any service to public service in this country. We must, it seems to me, ask the question: How do we do this job? Not whether, but how do we do this job? What does it take to make sure we protect these children?

I hope everyone reads this article. There are dozens and dozens and dozens of cases like this all over the country. My only point is, we can do much better and must do much better. When systems fail, we must find out why. When children, innocent victims, find themselves in circumstances like this, someone ought to be willing to stand up and assume responsibility, to say we are going to help.

I told the Senate yesterday about a stack of folders on a floor, where I saw reports of sexual and physical abuse against children on an Indian reservation that had not even been investigated because they did not have the investigators to go out and investigate. I was appalled, just appalled to understand that in that stack is a young child living in a circumstance where they have been sexually molested. There is an allegation of sexual misconduct or allegation of physical misconduct by a guardian, and it has not even been investigated. We must do better than that.

I hope that as we discuss and think our way through this notion of how do we balance the budget, we ask, what are our priorities? Is it B–2 bombers, is it the school lunch program, is it a dozen or 100 different things? I hope none of us will ever decide that it is discretionary on our part whether we protect children like Elisa.

Elisa did not have to die. We failed. We all failed Elisa, and I hope as we develop our priorities for the years ahead, we will decide, at the very least, that those who cannot help themselves, those children in harm's way, those children whose lives are threatened deserve and require our help. I hope there is no disagreement on any side of the political aisle on that question.

I recognize the Senator from Minnesota has been waiting. I appreciate very much his indulgence.

Mr. President, I ask unanimous consent to have printed in the RECORD the article to which I referred in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time, Dec. 11, 1995]

ABANDONED TO HER FATE

(By David Van Biema)

Elisa Izquierdo liked to dance, which is almost too perfect. Fairy tales, especially those featuring princesses, often include dancing, although perhaps not Elisa's favorite merengue. Fairy-tale princesses are born humble. Elisa fit that bill: she was conceived in a homeless shelter in the Fort Greene section of Brooklyn and born addicted to crack.

That Elisa nevertheless had a special, enchanted aura is something the whole city of New York now knows. ''Radiant,'' says one of her preschool teachers, remembering a brilliant smile and flashing black eyes. ''People loved her,'' adds another. ''Everybody loved her.'' And, unlikely as it may seem, there was even a prince in Elisa's life: a real scion of Greece's old royalty named Prince Michael, who was a patron of the little girl's preschool. He made a promise to finance her full private-school education up to college, which is about as happily ever after as this age permits.

Fairy-tale princesses, however, are not bludgeoned to death by their mothers. They are not violated with a toothbrush and a hairbrush, and the neighbors do not hear them moaning and pleading at night. Last week, two months before her seventh birthday, Elisa Izquierdo lay in her casket, wearing a crown of flowers. The casket was open, which was an anguished protest on someone's part; no exertion of the undertaker's art could conceal all Elisa's wounds. Before she smashed her daughter's head against a cement wall, Awilda Lopez told police, she had made her eat her own feces and used her head to mop the floor. All this over a period of weeks, or maybe months. The fairy tale was ended.

America dotes on fairy tales and likes to think it takes action on nightmares. When the story of Elisa's death hit the news last week, New Yorkers and people across the country remembered the Kitty Genovese murder in 1964, and took to task all the neighbors who had known too much and said nothing. But, it turned out, many others had not been silent: Elisa's slow, tortured demise had been reported repeatedly. Over the six years of her life, city authorities had been notified at least eight times. And so outrage focused on the child-welfare system. How did it happen, the public wondered angrily, that Elisa's case was known to the system, and yet the system so shamefully failed her?

The Child Welfare Administration, which handles cases of abuse in New York City, first heard of Elisa on Feb. 11, 1989, the day of her birth. Her mother was a crack addict whose addition was indirectly responsible for her pregnancy: she had lost her apartment, and in Brooklyn's Auburn Place homeless shelter she began a romance with Gustavo Izquierdo, who worked at the shelter as a cook. As her pregnancy progressed, Awilda was so lost in the pipe that relatives managed to wrest custody of her first two children, Rubencito and Kasey, from her. The social workers at Woodhull Hospital took one look at Elisa's tiny, crack-addicted body and immediately assigned custody to the father. Following standard procedure, they also alerted the CWA.

Perhaps to his own surprise, Izquierdo—who had emigrated from Cuba hoping to teach dance—turned out to be a wonderful father. At first there were panicky calls to female acquaintances about diapers and formula, but eventually he mastered the basics. Every morning he would iron a dress for Elisa and put her beautiful hair into braids or pigtails. When she was four, he rented a Queens banquet hall for a party marking her baptism. Says a friend, Mary Crespo: ''She was his life. He would always say Elisa was his princess.''

It was through her father's efforts that the princess found her prince. Izquierdo took parenting classes at the local YWCA, and he enrolled one-year-old Elisa in the Y's Montessori preschool. She was a favorite pupil. Says the school's then director, Phyllis Bryce: ''She was beautiful, radiant. She had an inner strength and a lot of potential for growth.'' So fond of both father and daughter were the Montessori staff members that when Izquierdo fell behind on tuition, they recommended his daughter to Prince Michael of Greece.

Michael will probably never ascend his country's throne, since the monarchy was abolished in 1974. But he still dispenses royal charity. After an aide established a connection with the Montessori school, the faculty introduced Michael to Elisa. On the day he arrived in Brooklyn, he would later remember, ''[Elisa] jumped into my arms. She was a lively, charming, beautiful girl. She was so full of love.'' The prince visited several times, bringing stuffed animals or clothes; the little princess responded with thank-you notes and pictures. Michael's most handsome offer arrived in late 1993: he would pay Elisa's full tuition, through 12th grade, at the Brooklyn Friends School.

In 1991 Awilda petitioned for, and was granted, unsupervised visitation rights with her daughter. The mother had already regained custody of her two older children; she seemed to have effected a miraculous recovery. In December 1990 social workers signed an affidavit stating that she had given up drugs, married a man named Carlos Lopez and settled at a permanent address. ''Both [Lopezes] are willing to go for random drug tests,'' the affidavit read. ''They never miss appointments with the agency, and they are always on time. Mr. Lopez is supportive . . . He appears to be gentle and understanding.''

That last was a grave misjudgment. Carlos Lopez, who did maintenance work, was solicitous only in public. At night neighbors heard dishes, pots and pans crashing against walls. In January 1992, a month after Awilda gave birth to his second child, Carlos stabbed her 17 times with a pocketknife, putting her in the hospital for three days. According to a neighbor, the attack occurred in front of Elisa, during a weekend visit. Carlos served two months in jail and then, neighbors say, resumed beating his wife—and his visiting stepdaughter.

Elisa's life became an excruciating alternation of happiness and horror. The four-year-old took the Friends School's screening examination and passed. But according to Montessori teacher Barbara Simmons, she also began telling people that her mother had locked her in a closet. On one occasion she volunteered, ''Awilda hits me. I don't want to go to Awilda.'' Montessori principal Bryce says she reported suspected abuse to both the Brooklyn Bureau of Community Services and a child-abuse hot line—the CWA's second warning about Elisa. In response, Bryce has said, child-welfare workers made several visits to the Lopez home, ''and then stopped, as they usually do.''

Izquierdo apparently knew about the mistreatment. A neighbor told the New York Times that Elisa would wake up screaming in the night, that although toilet trained, she had begun to urinate and defecate uncontrollably and that there were cuts and bruises on her vagina. In 1992 Izquierdo petitioned the family court to deny Awilda custodial rights, but fate intervened before the court could act on his request. By late 1993, already ill with cancer, he was planning to take Elisa to Cuba, and perhaps hoping to leave here there permanently. Tickets were bought, but he became too ill to travel and on May 26 Izquierdo died.

Awilda immediately filed for permanent custody. A cousin of Izquierdo's, Elsa Canizares, challenged the petition, alleging that Lopez was insane and abused the child. Bryce wrote in a letter to family court judge Phoebe Greenbaum that ''Elisa was emotionally and physically abused during the weekend visitations with her mom. Teachers' observation notes are available.'' Bryce also enlisted the help of Prince Michael, who added his own letter.

Canizares arrived for the June 1994 custody hearing alone. Awilda, by contrast, brought a small army. Her lawyer that day was from the Legal Aid Society, which maintained that its caseworkers had visited the Lopezes and found that ''Elisa expressed a strong desire to live with her mother'' and her siblings. Also backing Awilda was the CWA, which Judge Greenbaum has indicated had been monitoring the family for more than a year—the agency's third contact with Elisa. Finally there was Project Chance, a federally funded parenting program for the poor run by a man named Bart O'Connor.

When O'Connor met her in 1992, Awilda had seemed ''an easily excitable woman,'' but one who was ''very lively, very vibrant and loved her children beyond belief.'' She dutifully attended parenting classes and sought extra advice. There were setbacks, during which she returned to drugs and abandoned the children. But she recovered—''The kids seemed happy, and the house was immaculate.'' When Awilda asked O'Connor to help her get Elis back, he had his doubts: ''She was just learning to handle five kids. I thought another kid might be too much.'' But, after all, he had just given her a progress award, so he vouched for her to the court. In September Judge Greenbaum awarded full custody to Awilda, directing the CWA to observe the family for a year. Last week, hounded by the press, Greenbaum released a statement that read in part, ''It is any judge's worst nightmare to be involved in a case in which a child dies.''

Especially, it can be assumed, when a child dies slowly, by torture. In September, Awilda removed Elisa from the Montessori school and enrolled her in Manhattan's Public School 26. The *Daily News* reports that on arrival, she seemed a fairly happy girl, one who shared make-believe bus trips with other children during lunch hour. But she soon folded up into herself. The school's principal and social worker, noting that she was often bruised and had trouble walking, reported the matter directly to a deputy director of CWA's Manhattan field division, in what would be CWA's fourth notification. School district spokesman Andrew Lachman says the official allegedly replied that the case was ''not reportable'' owing to insufficient evidence. School staff then visited the Lopez apartment. To their surprise, Awilda ''was very happy to see them,'' says Lachman, and there were no signs of abuse.

O'Connor, however, was regretting his recommendation to the judge. He received a series of hysterical phone calls from Awilda complaining that Elisa was soiling herself and drinking from the toilet and had cut off her hair. Finally she asked O'Connor to take Elisa away. Convinced the girl's symptoms had existed prior to her contact with Awilda but were now driving her mother over the edge, he rushed to the apartment. ''You could smell urine and see she had defecated everywhere,'' he says. ''Her toys were thrown around. There were feces smeared on the refrigerator.''

O'Connor claims he called Elisa's CWA caseworker, who told him he was ''too busy'' to come by. Moreover, O'Connor says the caseworker never responded to this fifth appeal to CWA, despite repeated subsequent calls. O'Connor took the Lopezs to a city hospital for psychiatric counseling, and Awilda seemed to calm down somewhat. To O'Connor's dismay however, she repeatedly avoided signing a release that would allow him to send his observations to the city agency. By last July she had dropped out of touch entirely.

There was a reason for that. ''Drugs, drugs, drugs—that's all she was interested in,'' says neighbor Doris Sepulveda, who watched the Lopezes trying to sell a child's tricycle outside their building. Another neighbor, Eric

Latorre, recalls seeing the whole family out at 2 a.m. as Awilda sought crack. Awilda had reportedly come to believe that Elisa, whom she called a mongoloid and filthy little whore, had been put under a spell by her father—a spell that had to be beaten out of the child. Neighbors, some of whom say they called the authorities, later told the press of muffled moaning and Elisa's voice pleading, ''Mommy, Mommy, please stop! No more! No more! I'm sorry!'' Law-enforcement authorities have provided a reason for those cries: they say Elisa was repeatedly sexually assaulted with a toothbrush and a hairbrush. When her screams became too loud, Awilda turned up the radio.

Elisa stopped attending school, and neighbors say they saw less and less of her. On Nov. 15, Carlos Lopez was jailed again for violating his parole agreement. And on Nov. 22, the day before Thanksgiving, all that was twisted in Awilda apparently snapped. One of her sisters, quoted in the New York Times, reported a chilling phone conversation with her that night: ''She told me that Elisa was like retarded on the bed, not eating or drinking or going to the bathroom. I said, 'Take her to the hospital, and I'll take care of your other kids.' She said she would think about it after she finished the dishes.''

The next morning Awilda called Francisco Santana, a downstairs neighbor. ''She was crying, 'I can't believe it, tell me it's not true,'' he says. When he arrived at her apartment, she showed him Elisa's motionless body. He put his hand to the child's cold forehead, pronounced her dead and spent the next two hours pleading with Awilda to call the police. When he finally called himself, he says, she ran to the apartment roof and had to be restrained from jumping. When the police arrived, she confessed to killing Elisa by throwing her against a concrete wall. She confessed that she had made Elisa eat her own feces and that she had mopped the floor with her head. The police told reporters that there was no part of the six-year-old's body that was not cut or bruised. Thirty circular marks that at first appeared to be cigarette burns turned out to be impressions left by the stone in someone's ring. ''In my 22 years,'' said Lieut. Luis Gonzalez, ''this is the worst case of child abuse I have ever seen.''

O'Connor sits in his Brooklyn office and fields calls from the media. ''We made a mistake,'' he says grimly. ''We will try to make sure this never happens again.'' Looking back, he says, ''I should have thrown bombs in the CWA's doorway.'' The initials themselves infuriate him. At least, he says, ''we will say our mea culpa. We're not going to run behind confidentiality laws and not admit we've made a mistake.''

He is referring to an aspect of the tragedy's aftermath that has dumbfounded the city. The people of New York could do nothing about Awilda's drug-induced delusions or her timid neighbors. But they wanted an accounting from the CWA. Instead, Executive Deputy Commissioner Kathryn Croft has steadfastly maintained that state confidentiality laws designed to protect complainants prevent her from revealing any details of a case. Thus the public may never know how many cries for help the agency actually recorded or what it did about them. It may never know whether the CWA really made an extended effort to observe Awilda before making a recommendation to Judge Greenbaum—or whether a caseworker was really ''too busy'' to return a call.

What the public could surmise, however, was that something was amiss. Last week someone leaked an Oct. 10 letter from CWA Commissioner Croft to Mayor Rudolph Guiliani, complaining that city staff cuts make it impossible for her to train child-abuse caseworkers or even measure their competence. And that is the least of it. The city, state and Federal Government have cut one-sixth from CWA's $1.2 billion budget. While Croft estimates her average staff member's case load at 16.9, some workers at the agency's Queens branch put theirs at 25, a number that almost precludes meaningful long-term investigations. ''There are no bodies available to do the work,'' says Bonnie Buford, a supervisor in a Queens child-protective-services unit. Claims Gail Nayowith, executive director of the Citizens' Committee for Children: ''Case loads are rising. Investigations take longer, and some very important programs don't exist . . . This child and her family should have got services. With appropriate interventions, services and follow-up, [Elisa] would be alive.''

But she is not alive. At her funeral, the Rev. Gianni Agostinelli told mourners that ''Elisa was not killed only by the hand of a sick individual, but by the impotence of silence of many, by the neglect of child-welfare institutions and the moral mediocrity that has intoxicated our neighborhoods.'' Later, Elisa was laid to rest in the Cypress Hills Cemetery in Queens. There had been discussion about her body: the Izquierdo side of her family wanted to determine its fate, but so did the Lopez side. And it seems that mortuaries, like city bureaucracies, have rules for such situations. Regardless of the circumstances, the custody of the body goes to the mother.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

THE CBO IS NOT SANTA CLAUS

Mr. GRAMS. Mr. President, I want to talk a little bit this afternoon about budget numbers and budget dollars.

To hear the talk on Capitol Hill, you would think that Christmas came early this week and that the Congressional Budget Office was playing the part of Santa Claus, because on Monday, the CBO released its revised revenue predictions for the next 7 years, producing an unexpected $135 billion windfall over the life of our 7-year plan to balance the Federal budget.

And would you not know it, like kids let loose under a package-packed Christmas tree, President Clinton and Congress are scrambling to snatch up the dollars for their own holiday spending spree.

Mr. President, I did not come to the floor to be the Grinch Who Stole Christmas, but let's take a step back and ask ourselves just what we're doing here. We've got a deficit today of $164 billion and a national debt of nearly $5 trillion.

We are dangerously overextended on the Government's credit card. Yet when the revenue forecast says we will have $135 billion more than we thought we would have by the year 2002, what are we thinking when the first thing we want to do is rush out and squander it on a taxpayer financed holiday spending spree?

If that is how this Congress is going to conduct itself, we are no better than the 40 years of past Congresses that got us into this fiscal mess to begin with.

Where is the commitment to changing Washington's free-spending ways we like to brag about to our constituents back home? What kind of message does this send to the taxpayers, who entrusted their dollars—their hard-earned tax dollars—to us in the first place?

Anybody can spend a dollar, Mr. President, or in the case of Congress, a great, great many of them. But it takes discipline to save those same dollars, and what I am seeing today is a disturbing lack of the kind of discipline it will take to finally balance the budget.

What should we do with the $135 billion found by the CBO? Exactly what legislation introduced last week by myself and my good friend, Senator MCCAIN, instructs us to do: lock it away on behalf of the taxpayers for deficit reduction or additional tax relief.

The Taxpayer Protection Lockbox Act of 1995 precisely spells out the process Congress must undertake when actual Federal revenues exceed predictions. Our legislation ends the abuse of taxpayer dollars and returns honesty to the budget process by creating a new revenue lockbox.

As we all know, Congress acknowledges the CBO as Government's voice of authority when it comes to accurate, conservative, nonpartisan economic projections.

Congress relies on those CBO projections when we estimate the amount of tax revenues that will come into the Treasury over the life of our 7-year balanced budget plan, and then we use those revenue estimates to determine the extent to which Federal spending can grow without resulting in a budget deficit in the year 2002.

While these estimates by the Congressional Budget Office are generally on the mark, they are only estimates, of course, and the revised forecast issued by the CBO this week illustrates the inherent problem with forecasts: Changing conditions mean forecasts need to be updated.

And as we move closer to a balanced budget, they will need further updating to take into account the additional dollars our balanced budget plan will generate for the Treasury. After all, we are including tax relief designed to stimulate economic growth, create new jobs, and turn tax users into productive taxpayers.

Any additional dollars, however, should not be used to feed Congress' appetite for spending. Instead, any additional revenue that results from our balanced budget plan ought to be returned to the taxpayers in the form of tax relief or deficit reduction.

These dollars were born of the hard work and productivity of the American people—it makes sense to give those dollars back to the taxpayers and encourage even greater productivity.

And that is just what our revenue lockbox does. It requires that any revenues above and beyond current estimates be used for tax cuts and/or deficit reduction.

It ensures taxpayers that their hard-earned dollars will no longer be automatically spent by Congress, ending

the misguided notion here in the beltway that tax dollars belong to the Government, rather than the taxpayers.

Imagine the dramatic deficit reduction we could achieve if, instead of plowing the CBO's $135 billion into more social spending, against the wishes of the taxpayers, we dedicated it toward eliminating the deficit.

How much sooner would we balance the budget and start down the road toward a debt-free future for our children and grandchildren if we invested that $135 billion in their future, and not on another quick fix for the big spenders in Washington?

After all, if the politicians have their way, how much of that $135 billion will truly be spent meeting needs, and not simply offering dessert?

Or imagine what we could do for the taxpayers of this Nation—who have been forced every year to finance the political agenda of a Congress that simply never learned to say ''no''—if we handed them back that $135 billion in the form of tax relief?

Have we forgotten that it is their money to begin with, not the Government's? Mr. President, it is as if you and a friend were walking down the street and happened across a wallet plump with cash. For most of us, there is no moral dilemma—it is not our money.

We would return it to its rightful owner, no questions asked. Well, there is apparently no moral dilemma for Congress, either—it would spend the money, even $135 billion dollars, long before the wallet's owner even realized it was missing.

By dedicating it toward tax cuts, Congress could do a lot of good with the CBO's $135 billion in unexpected revenue. What about expanding the tax relief provisions already called for in our Balanced Budget Act?

We could make the $500 per child tax credit be retroactive back to January 1, 1995, and help offset the devastating effects of President Clinton's retroactive tax increase in 1993.

We could make the $500 per-child tax credit refundable against payroll tax liability, enabling lower-income, working Americans the opportunity to keep more of the dollars they so desperately need to keep their families fed and clothed, with a secure roof over their heads.

We could eliminate the marriage penalty this year—not 7 years from now.

We could empower senior citizens to once again become productive members of the workforce by repealing the Social Security earnings limit—another tax increase imposed by President Clinton in his 1993 budget.

We could index the capital gains tax back to an earlier date as well.

Mr. President, by intelligently utilizing the CBO's new forecasts, there are a great many things we could do to expand on our promise to the American people to cut their taxes while we are balancing the budget.

But blocking our way is a White House intent on financing more and more Federal spending at the taxpayers' expense, and you won't find a more vivid illustration of just why we need the deficit lockbox and the protections it would provide.

If there are any extra dollars in the Federal budget, they should be returned to the millions of American taxpayers who finance this Government every day with sweat and blood, not to Congress or the White House for bigger Government.

I do not know what it will take to convince me that President Clinton and the big spenders on Capitol Hill are truly serious about getting Government spending under control, but I do know they will never do it by trying to compete with Santa Claus.

If they want to don red suits and beards and finance more Government agencies, more bureaucrats, and more Federal programs, they will have to cut spending somewhere else to pay for them. The holiday season may be a time for giving, but the taxpayers have already given until it hurts.

You can call me old fashioned, but a gift that reflects the true spirit of Christmas is not about giving in the hope of getting something back in return. It is about giving something from the heart.

A balanced budget is that kind of gift, Mr. President. You cannot wrap up a balanced budget, or engrave it, or put it under a Christmas tree. It is not the kind of gift that will score you points with relatives looking for a holiday handout or get you in good with the boss or impress a neighbor.

You cannot really hand it to anyone and get a thank you in return. You can, however, look into the faces of those who will someday appreciate this gift most of all—our children and grandchildren, because once the Federal budget is balanced, they will finally be free. That, Mr. President, will be the greatest Christmas gift Congress could deliver this holiday season—that is, to work out a balanced budget before we leave on December 22.

Thank you, Mr. President.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDENT DIRECT LENDING

Mr. SIMON. Mr. President, I understand that two of my colleagues spoke in opposition to direct lending this morning on the floor of the Senate. I will respond to what I had been told by my staff was said on the floor.

First, just by way of background, let me just say there are 1,350 colleges and universities that now have direct lending. I do not have the list in front of me, and I cannot tell you, Mr. President, what schools in Wyoming are using direct lending. I know that in every State outside of Alaska there are schools using direct lending. It is interesting that not a single college or university that has direct lending wants to go back to the old system. We just received a report from the Colorado State auditor saying that the University of Colorado is saving $192,000 a year under direct lending in bookkeeping and other personnel costs.

Let me respond to the specific charges or statements. It said under the plan that the President vetoed, all students could get flexible repayment. Under direct lending if you want to, you can have income-contingent repayment, that a percentage of your income can be set aside for repaying a loan. That was not the case under the old program. The actual language of the bill is, Mr. President, that a lender ''may,'' at the discretion of the lender, offer the borrower the option of repaying the loan in accordance with an income-contingent repayment schedule. That is very different from saying they ''shall.'' In other words, banks ''may'' do it. But, of course, banks could do it before. The reality is very few banks are going to do it except if they are under competition from direct lending and they think they have to.

Also, added in conference on the income contingent, on income contingent, you repay for 25 years. At the end of 25 years if you become a nun or if you enter some work where you do not receive income, at the end of 25 years it is forgiven. In conference, it kept that forgiveness, but said the interest would be paid to the banks no matter what. The claim was that the plan the President has vetoed would double the direct loan program from 5 percent to 10 percent. The reality is 10 percent of the schools had it the first year. We are in the second year now and almost 40 percent of the schools in the Nation now have direct lending. It is just universally popular. We have, in Illinois, 67 schools using direct lending now. I have yet to hear anyone say that it does not work.

One of our colleagues cited an op-ed piece in the Washington Post saying there is no cost difference to the Federal Government between direct lending and the old system. Now, if there is no cost difference, then give colleges and universities the choice. The reality is the op-ed piece in the Washington Post did miss several points that Secretary Riley mentioned in the letter to the editor. One of the very fundamental points is that under direct lending, when the Federal Government issues bonds, we collect income tax on those bonds, on the interest on those bonds. When guaranty agencies issue bonds, those are nontaxable bonds. The difference, over a period of 7 years, is about $1.3 billion. The Congressional Budget Office says if you apply the present law—not the cooked books of the budget that was passed—to both

programs, direct lending saves $4.6 billion.

The claim is that the direct lending transfers the loan program from the private sector to the Government. Now, it is true that some of the banks clearly are private sector, though as our former colleague, Senator David Durenberger—and the Presiding Officer did not have the chance to serve with him here in the Senate, but he was a very thoughtful Member of this body,—Senator Durenberger, in comments to a group of bankers when they said, ''Let's use the free enterprise system,'' said, ''This is not free enterprise; this is a free lunch.''

When you build into the law what the profit is and you say we will give you 98 percent to 100 percent of the profit, that is a pretty good deal. The average bank makes more money percentagewise on a student loan than on a house mortgage or a car loan—more than any other transaction other than a credit card transaction.

Then the guaranty agencies operate with our money. The Inspector General of the Department of Education says there is $11 billion worth of Federal money at risk with the guaranty agencies. There is one in Indiana, for example, where the chief executive officer of that guaranty agency set up with Federal funds—and I fault myself for not being more careful, along with others, in setting this up—his pay is $627,000 a year. Not bad when we pay the President of the United States $200,000 a year. That guaranty agency spent $750,000 to lobby against direct lending. This is, indirectly, Federal money.

The claim was made that the Education Department has to hire 400 new people to run the direct loan program. The reality is that a fraction of the number of people are required because you are not dealing with 7,000 different credit agencies—banks and guaranty agencies. It is a much more efficient system.

I mentioned the University of Colorado. They testified before us, and they said they have been able to use two less personnel to advise students, and they have canceled four computers that they had leased, and they saved substantial amounts of money.

The statement, ''We should balance the budget without cooking the books''—I could not agree more. And the budget, unfortunately, as the Chicago Tribune mentioned, does ''cook the books.''

The simple reality is sometimes Government does something that is right. Sometimes Government does something that is wrong. The old GI bill, that the Presiding Officer may be too young to remember, the old GI bill was a Government-run program that was a great program. Direct lending is a Government-run program. It simplifies things. It cuts out the middleman. If we want to have an ''assistance to banking act,'' let us call it that. Do not label it assistance to students and then have an assistance to banking act.

It was noted in the newspapers the day before yesterday that the banks of America had their best quarter ever this last quarter. I am pleased with that. Maybe like the Presiding Officer, I have a mortgage on my home. I want those banks to stay in good health. I want these pages, in the years to come, to be able to get mortgages. I want banks to be healthy. But I do not want to subsidize banks and call it student assistance. I want to give colleges and universities the choice.

If there is no cost to the Federal Government, as the Congressional Research Service says, by having the choice, or if, as the Congressional Budget Office says, we save money, by all means we ought to give colleges and universities the choice. I think it will mean the difference between hundreds of thousands of people going to college or not going to college.

One of the other great advantages of direct lending that I did not mention earlier is it is open to everyone. Under the old open loan program, you have to fall below a certain income level and you have to meet other criteria. This is open to all American citizens and all people who are legally in our country. It is much more simple, reduces paperwork—it is a great program.

Sometimes Government does things that, frankly, embarrass us who serve in Government. Here is an instance when Government does something we can be proud of. I hope, when the dust settles on all this, we will keep the option of direct lending for the colleges and universities of the country.

Mr. President, I note no one came rushing to the floor to hear my remarks. I do not see anyone here requesting the floor, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

GRAZING REGULATIONS ON PUBLIC LANDS

Mr. THOMAS. Mr. President, let me bring up a subject that is very close to my heart, to my State of Wyoming, and to the West. This is an issue that I hope we will be dealing with in the next week or so, and it has to do with regulations on grazing on public land. That is not a topic that is of great interest to everyone, but it is one that is of great interest to that region of the country. You have to sort of get a little feel for what that means to public land States before you go into the details.

The State of Wyoming is 100,000 square miles, half of which is owned and controlled by the Federal Government. In that, of course, are parks, forests, wilderness, and a substantial amount of Bureau of Land Management [BLM] lands which are the lands that were residual lands that were never taken up in homesteading but remained in Federal ownership—never withdrawn for any particular purpose, as was the case with the forests or the parks or the wilderness areas—but, all in all, more than half of Wyoming. And it is much higher in other places. Nevada, as I recall, is 87 percent federally owned.

So the management and the economic decisions that are made with respect to these lands are very important to these multiple-use lands. Some of the land, such as Yellowstone Park, Teton Park, and Devil's Tower, of course, are set aside for a very specific and peculiar purpose because they are unique lands. We are talking about those that are for multiple purposes managed by the BLM or managed by the Forest Service.

One of those purposes is grazing. There are many others, of course, such as hunting, fishing, recreation, mining, oil and gas, and coal. Much of the coal in Wyoming, which is the largest producer of coal in this country, is on public lands. Of course, those activities produce royalty fees that are paid both to the Federal and State Governments.

The reason for our bill is something of a response to the problems that have been created, I believe, by the efforts of the Secretary of the Interior over the last 3 years to reform rangeland regulations, which is basically, we believe, to bring more and more of the decisions to Washington, while our purpose is to bring more of the decisions closer to the people who are governed.

For the first 2 years that this administration was in place, particularly this Secretary of the Interior, there was a great deal of controversy going on. The ''war on the West,'' which most of us believe is a genuine war on the West, has been staged. There were many visits there by the Secretary and people related to the Interior Department in an effort to talk and to come to some conclusion. And, quite frankly, none was ever agreed to. The longer the talks went on, the more controversy there was.

So in the Congress we have sought to put together a grazing bill, and have passed one. The purpose of it is to react to these regulations put forth by the Secretary which were generally unsatisfactory to the West.

Let me talk just a moment about some of the things that are involved.

One is public participation. This is public land. We understand it is public land. The decisions that are made there should provide opportunities for people to participate, not only those who will be involved in the activity, whether it be grazing, or whether it be oil, or whether it be fishing, but anyone who has an affected interest. This bill provides for that.

This bill was passed last summer, and there was a good deal of discussion

about it in the country. We went back again several weeks ago and did it again in the committee and, hopefully, will have it on the floor. Public participation was broadened and ensured.

There was a notion, when the bill came forth, that it made grazing the dominant use over other uses in multiple use. Not true, nor was it intended to. However, as we came back we specifically put language into the bill that says there is no dominant use. Grazing is not a dominant use. It is a multiple use, and these uses should have a full opportunity.

Environmental protection. The environmental protection under this will continue to be there as it has been before. Laws like endangered species, NEPA, and others will apply, of course, as the decisions are made by the Department.

Standards and guidelines—which does not mean a lot to most of us—has been the core of much of the problem. Standards and guidelines means the rules that will be laid down in Washington for the conduct of this whole issue. We believe, those of us in the West, that the main thrust of the Babbitt operation was to bring these standards and guidelines more to Washington and that we would have a one-size-fits-all kind of a thing that was sent out from Washington to all of the Western States. Our bill provides that local universities, local State agriculture departments, would be involved in the establishment of standards and guidelines. We think that is important.

Fees. The secretary does not deal with fees. We have set up a fee for the grazing program that is based on the value of cattle in the marketplace at a particular time and raise the fees over what have been paid by about 30 percent.

So, Mr. President, we hope that this bill will come before Congress. We think it is a reasonable bill that, again, provides for multiple use and provides for the economic future of the West.

It has always been curious to me that States who came into the Union on an equal basis, according to the Constitution that there should be equity among the States, but that a Cabinet Member in Washington can have more impact on the economic future of Wyoming than anybody in Wyoming, to make rules for 50 percent of the State, a State that is very oriented to minerals, very oriented to agriculture, and agriculture is based on cattle and sheep.

So we think this is a reasonable, bipartisan effort which will be brought before the Senate, hopefully before the end of the year, and will give some stability to a way of life.

It is also important—and I hope later when I come back, and I know you are anxious to hear more—that we will have a map. It is important to see the way ownership patterns exist in the West. For example, one of the things that happened in the development of the railroads is that 20 miles on either side of the Union Pacific Railroad, which was encouraged to develop the West, every other section was given to the railroad to do this, and the other sections remain public. They are still that way. It is called the checkerboard.

These are lands—this is not Yellowstone Park—that are arid, high plains, not particularly productive. So there are no fences, of course. Indeed, you really cannot afford to fence it because it takes anywhere from 50 to 60 acres for an animal unit, and it is shared with antelope, deer, and with elk in some places.

So what I am saying is that these lands are not independently able to function. The same is pretty much true with the whole State in terms of ranches. When the lands were settled under the various settlement acts, the homesteaders, of course, took up the riverbeds, streams, water, the trees, and took up the best of the land, obviously. That which was left is now in Federal ownership. It is very difficult to separate those two things both from the standpoint of livestock and from the standpoint of wildlife. Livestock needs to have the winter feed, the water, and the cover, but in the summertime needs the grass to be able to graze on public lands.

The other side of that, of course, is that the wildlife, which basically lives on the public lands, needs in the winter to have the water and the water developed by the ranchers in their private land.

Mr. President, we look forward to finding a way in which these public lands can be managed to the benefit of the public, to the benefit of this country, and to the benefit of those users in Wyoming.

I thank you very much. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I ask unanimous consent that I may speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFORMING MEDICAID

Mr. ROTH. Mr. President, according to a familiar advertisement in the Nation's Capital, ''If you don't get it, you don't get it.'' Anyone who read the December 12 editorial in the Washington Post entitled ''Budget Sticking Point,'' now gets it and understands there is, indeed, a historic struggle being waged over Medicaid.

Over the past several months, the local liberal spin on the Republican proposals on welfare, Medicaid, and Medicare, has been that we were not really interested in reforming these programs.

According to the critics, the Republicans were only hunting for budget savings without regard to sound public policy. And to its credit, the Post realizes this is empty campaign rhetoric and there is, indeed, much more at stake.

But while the Post concludes the Federal mandates in Medicaid must be preserved, Republicans believe they must end precisely for the same reason. Who should decide how much more than $1.5 trillion should be spent on health care over the next 7 years, the bureaucrats in Washington or the Governors and State legislatures?

Spending $1.5 trillion represents tremendous power. The Republican proposal to invest this responsibility in the States represents a sea-change in how Government works. This realization shakes Washington to its very core. If we are successful, Washington will no longer be the center of this power and that is precisely why so much effort is being made to scare people about the Republican proposals.

This debate over Medicaid is just one chapter in the larger struggle over our system of federalism. The debate goes to the heart of our beliefs about 50 sovereign States united together as a nation. The partnership between the Federal Government and the States in running the current welfare system has been a pretense in the recent past. Over the past few years, the partnership has, in fact, been an adversarial relationship, based on mutual distrust, suspicion, and threats. President Clinton understand this when, as a Governor a few years ago, he joined 47 other Governors to petition Congress for a moratorium on new Medicaid expansions.

Despite the pleas of the Governors, there was no moratorium. Medicaid costs tripled between 1985 and 1993. In 1980, Medicaid spending accounted for about 9 percent of all State spending. In 1990, it accounted for about 14 percent of State spending. Medicaid now consumes 20 percent of State spending.

This trend is a threat to our system of federalism. As Medicaid places greater fiscal demands on States, they have been forced to reduce their percentages of spending on education, transportation, and other vital governmental services. For example, the General Accounting Office reports that Medicaid nearly equals the State expenditures for elementary and secondary education combined. This is a very important yardstick as education has generally been the largest segment of State budgets. Without reform, there will be no choice about how States will determine priorities among important services, the funds will simply go to Medicaid. Washington has seized the power of decisionmaking from those elected officials closest to the people.

The significance of reversing this quiet coup has been distorted by those who share in the power gained by it. The argument that the poor and the institutions which serve them will be

stranded by the States is simply wrong. As the power is drained from Washington, all Americans, including those who depend on others for their access to health care, should eagerly anticipate the reciprocal actions to take place in the States.

Freed from the current adversarial system, the States will be able to design their own unique methods to help families overcome adversity. States will find more innovative ways to use this money to help families than Washington ever imagined. Under the Republican proposal, State governments will be empowered to use Medicaid dollars to act in the same manner as the private sector to lower costs while at the same time improve quality.

Medicaid reform will trigger a series of benefits throughout the States. Last year, President Clinton was right when he stated that ''the health care issue is an important part of welfare reform.'' Although his solution was fatally flawed, he correctly identified the real issue before us now. The President said,

> The biggest problem we've got with welfare for a lot of people is that—remember if you're poor, on Medicaid and no welfare, your children get health care. If you take a minimum wage job in a business that doesn't have health insurance, you have to give up your kid's health care to go to work.

Mr. President, this is precisely why Medicaid reform is so vital. The present system traps families into welfare dependency. The current scheme is laden with perverse disincentives. Many families will return to work and no longer need cash assistance, if the power of Medicaid dollars is used in the marketplace to secure health care for low-income families. For example, the General Accounting Office recently reported that Tennessee has extended coverage to several hundred thousand newly eligible individuals while increasing expenditures by less than 1 percent. State officials in four States with demonstration waivers estimate as many as 2 million previously uninsured individuals can be provided with coverage while yielding savings of about $6 billion over 5 years.

Over the past several years, large private employers have used their muscle in the marketplace. Private sector employers and, I might add, the Federal Government for its own employees, have been using competition in ways to simultaneously lower costs and increase quality.

In Medicaid, however, we have witnessed the opposite effect. The Boren amendment, for example, has been used to actually bid the price of nursing home care up higher. Between 1980 and 1985, Medicaid payments for nursing home care increased by an average of 7.8 percent annually. In 1989, payments had increased by 8.8 percent from the previous year. But after a key Supreme Court decision on the Boren amendment in 1990, Medicaid payments for nursing home care increased by 17 percent in 1991.

Utah's Medicaid Program provides 30 percent more benefits than these provided to the average worker in the private sector. Yet the Federal Government has prohibited Utah from leveling the Medicaid benefits to 118 percent to the average private sector plan. The Governor would have used the savings to extend coverage to people who are currently uninsured, but the Federal bureaucracy refused to approve this initiative.

Through a decision by the Secretary of Health and Human Services, the working families of Utah are required to support a system which provides better benefits than they purchase for themselves. This is the system the administration insists it must safeguard. This has nothing to do with protecting the vulnerable.

Medicaid reform is needed to eliminate wasteful and unnecessary duplication. Under current law, States, are required to screen individuals entering nursing homes to prevent inappropriate placement. California has performed 80,000 such screenings each year since 1989 at a total cost of $28.5 million. Only five individuals have been identified by this mandated program as having been inappropriately placed. That is a cost of $5.6 million per individual identified as needing a more appropriate placement. What interest does this serve? Certainly not the interest of the taxpayer nor the recipient. Finding the right nursing home setting just takes plain common sense, not the Federal bureaucracy.

Those who insist on maintaining the status quo are scaring the elderly and disabled. In truth, these needy citizens have nothing to fear from the Republican proposal. The Post editorial is rooted in the past. For a glimpse at the future, I recommend an article by Massachusetts Gov. William Weld entitled, ''Release Us From Federal Nonsense,'' which appeared in the Wall Street Journal this past week. Governor Weld states that:

> Before we privatized mental health services, patients were warehoused in state institutions; now we save $60 million a year, and the patients live in less intrusive settings that almost everyone agrees are much more humane. In case after case, not only did we not hurt the poor, the elderly, and the vulnerable, we managed to do a lot better by them than previous administrations.

It has been the States which have protected the dignity of so many by helping disabled individuals to live with their families. The States understand disabled individuals need a continuum of care and a variety of services including medical care, income support, nutrition assistance, education and training, transportation, and social services. Devolution of authority will improve the coordination and quality of services. Advocacy is strongest at the closest point of service. While Washington works to protect programs, the States are in a superior position to protect the interests of people. It is the arrogance of Washington, as Governor Weld describes, that prevents the States from serving our citizens even better.

Mr. President, the Washington Post was correct to point out that the Medicaid debate is not just about money, although we must not overlook the importance of our securing our economic future through achieving a balanced budget. The Post prefers to promote the current Medicaid system above the interest in restoring the balance of power between the States and the Federal Government. In doing so, it has failed to recognize that Medicaid is drawing resources away from education and other vital services. Moreover, the future ability of the States to preserve their constitutional role in our system of federalism should not be so lightly dismissed. In a landmark case about federalism, Supreme Court Justice Sandra Day O'Connor warned, ''all that stands between the remaining essentials of State sovereignty and Congress is the latter's underdeveloped capacity for self-restraint.'' Our system of federalism is truly reaching in crossroads and Medicaid is one of the landmarks which will guide our choice.

At its core, the Republican proposal to reform Medicaid is about rediscovering our fundamental principles about Government by consent. Franklin Roosevelt once stated that:

> It must be obvious that almost every new or old problem of government must be solved, if it is to be solved to the satisfaction of the people of the whole country, by each state in its own way.

Mr. President, this simple statement captures so clearly and so precisely what the Republicans are proposing to the American people. There is no greater threat to our democratic institutions today than the consolidation of power in Washington. It is time to free the States and our citizens from the chokehold of the Federal Government. The Post has this much right—the fight is not just about the Federal budget. There is indeed so much more at stake.

Mr. President, I ask unanimous consent a copy of the Washington Post editorial and a column by Governor Weld be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 12, 1995]

BUDGET STICKING POINT

If the current budget talks break down, the hang-up likely won't be money. The parties will split instead on the ancient question: To what extent should the federal government guarantee a minimum standard of living, or minimum level of benefits, to the poor? The crucial battle-ground in this will be Medicaid, by far the largest federal ''welfare'' program through which the federal and state governments together help pay the health care bills of lower-income children and the needy elderly and disabled—all told, about a seventh of the population.

The money issues won't be easy. But Congress deals with money issues all the time, and the differences between the parties are already starting to melt. The Congressional Budget Office has freshened the economic and programmatic assumptions on which its

estimates of future deficits are based, and more than $100 billion of the problem has disappeared. An agreement to adjust Social Security benefits and such features of the tax code as the personal exemption and standard deduction by less than the full inflation rate for a number of years could raise many billions more. If the Republicans will then backoff their tax cuts a little while the Democrats ease their opposition to a Medicare cuts, you're close to home. Except for the basic question: What should be the future federal role, particularly with regard to assisting the poor.

The Republicans basically think the federal government should do less, and the president has already done a fair amount of retreating on the issue. The current welfare program embodies a federal guarantee of aid to needy single parents and their children; he has indicated he would sign a welfare bill dropping that. He has indicated a willingness to limit future housing aid by capping the appropriations on which it depends as well.

That leaves three other major federal programs for the poor—Medicaid, food stamps and the earned-income tax credit, which stretches the wages of lower-income workers with children. On these the president has said to Democrats and advocacy groups unhappy with his welfare and housing concessions that we will not give major ground but will hold the line. The Republicans, though they've proposed deep cuts and assorted structural changes in all three of these programs, have indicated that on food stamps and the tax credit they don't care that much; they themselves are divided.

On the structure of Medicaid, though, they have said there will be no give, and there you are. They want to go to a system of block grants, cut projected federal spending sharply, cut what the states must put up to get their federal funds, and largely let the states decide how and on whom the money will be spent. This would pretty well eliminate the federal guarantee that the needy young and elderly could count on a certain level of care. The President rightly wants to preserve the guarantee. He would meanwhile cut projected costs by capping the annual increase per beneficiary—the right way to do it.

Much more is at stake in this than just a balanced federal budget and the balance of power between the federal government and the states. Medicaid is not just a major federal cost and major source of aid to state and local governments; it is the insuror of last resort in the health care system. Especially if even costlier Medicare is to be to shaken up and cut, Medicaid needs to be preserved to protect the vulnerable. The alternative is even more people uninsured; the poor, the states and the hospitals and other institutions that serve the poor would all be stranded. This fight is not just about the federal budget and the federal role. It's about that.

[From the Wall Street Journal, Dec. 11, 1995]

RELEASE US FROM FEDERAL NONSENSE

(By William F. Weld)

Right now, America is well on the road to block-granting welfare, Medicaid, and job training, and allowing the states to shape these programs to fit their own ends. And most of the nations' governors say a mighty hurrah.

Washington Democrats, however, talk about this shift of power from the federal government to the states as if it represents a return to a more primitive time—to an America without indoor plumbing or electric lights or a conscience.

We governors find this highly ironic. Because from our perspective in the state houses, it's Washington that has been living in the Walker Evans photographs from the thirties. We embraced the future some time ago.

Most of us already have cleaned up our budgets to eliminate deficits; we've cut taxes; and within the handcuffs the federal government has put on us, we've improved our social services while cutting the bloat.

For example, it's been clear for years that the federal welfare system is an abomination that lays families to waste; Senator Daniel Patrick Moynihan's been saying this almost since he was in short pants. But year after year welfare bills have been passed without Congress doing anything about the most glaring problems in the system, until finally the states gave up on Washington, applied for waivers, and took things into their own hands as far as the federal government would permit.

So when Washington Democrats characterize our enthusiasm for block grants as naiveté—or worse, a perverse desire to begin some race to the basement—they've missed the point entirely. If the federal government would just release us from its bureaucracy and nonsense, we'd make these programs better for those they serve, and we'd do it for less money.

I think our experience in Massachusetts is instructive.

By the time I was elected governor, Massachusetts had achieved a high state of refinement. Our Department of Corrections was under the wing of the Human Services Office—as if it were the taxpayers' obligation to help them have more children they couldn't support. We had a new sales tax on business services—as if that were the best way to celebrate a thriving service economy.

And our economy was falling to pieces; we were regularly releasing violent criminals back to the streets to continue their mayhem; and we managed to achieve the highest rate of out-of-wedlock teen births in the country.

We began getting Massachusetts' fiscal house in order by taking on the ''budget-busters,'' and many of them were the same ugly mugs the federal government is facing right now.

In the four years before I was first elected governor (1990), Medicaid costs in Massachusetts rose by 20% a year. With Managed Care Medicaid, we brought that down to 3% a year.

We took on welfare, too—a state entitlement program known as General Relief, and it was mighty general indeed. The conditions that got you on the rolls were so loose that if you were over 45 years old, overweight and without a stable work history, you qualified. In other words, I qualified.

We replaced General Relief with an emergency aid program for the elderly, the disabled and children, and managed to save $100 million out of a $14 billion budget, just by targeting the help to those who really needed it.

Advoctes predicted a ''bloodbath.'' They said we'd have people starving in the streets. But nothing of the sort ever happened, and the doomsday scenarios faded away. In fact, a quarter of our General Relief customers didn't even bother to reapply.

All along the way, we stepped on special interests who used the same scare tactics we're seeing today in Washington. But these tactics are far less effective when they are used in one's own district, because voters can more easily see how their money is being spent and, often, misused—another argument for letting states take care of their own.

When we cut taxes, we heard that we were reverse Robin Hoods. What the protectors neglected to mention was that our frugality not only allowed us to phase out the long-term capital gains tax, it also allowed us to lift the tax burden on low-income working people.

When we made changes to Medicaid, we heard that we were abusing the poor. But before we put Managed Care Medicaid in place, most poor children had no primary care physician, and many weren't getting their shots. Now a little girl with an earache doesn't have to report to an emergency room to get medical attention; she has her own doctor who knows her by name. And we've got advocates praising our Medicaid program in public.

Before we privatized mental health services, patients were warehoused in state institutions; now we save $60 million a year, and the patients live in less intrusive community settings that almost everyone agrees are much more humane. In case after case, not only did we not hurt the poor, the elderly and the vulnerable, we managed to do a lot better by them than previous administrations.

Our experience is not unique. All across the country, creative governors are aggressively dealing with problems Washington is just beginning to wake up to. So if the question is whether state governments are responsible enough to dispense welfare and Medicaid funds in our own way—we're more than ready.

Not only can we handle that responsibility, it's rightfully ours. The 10th Amendment of the Constitution says quite plainly that the powers not expressly given to the federal government are reserved to the states and to the people. And common sense dictates the same thing.

Government ought to be as local as possible, as close to the people as it can be, because generalities rarely get the story straight. So in my operation, we're doing some devolving ourselves, putting all the regulatory functions of government under a single office and sunsetting the entire 25,000 pages of the Code of Massachusetts Regulations, so our cities no longer have to apply to a half-dozen state agencies every time they want to put up a stop sign or a curb cut.

When it comes to social programs, the states shouldn't have to beg Washington for the right to put up a stop sign. The welfare reform law my state passed this year is full of badly needed stop signs. It includes a family cap that will allow us to cease subsidizing illegitimacy. It requires those with school-aged children to go to work within 60 days. It requires teenage mothers to live at home and finish high school, so they'll have a shot at something better than welfare. It puts a two-year limit on benefits, so welfare will be what it should be—a temporary leg up, not a permanent lifestyle. And it allows our Commissioner of Transitional Assistance to make exceptions for hardship cases.

For every change we wanted to make, we had to ask Washington's permission for a waiver of federal law and then put up with half a year of paper pushing and haggling. Ultimately, the Clinton Administration refused to grant us one of the cornerstones of our plan, the two-year limit.

The irony here is that our law passed with the overwhelming support of a Democratic Legislature. It's sheer arrogance for Washington to think it knows better than Massachusetts what Massachusetts needs, but the current waiver system encourages that arrogance. If President Clinton really wants to end welfare as we know it, he should sign the bill ending welfare as we endure it.

Washington has long tried to direct our life here at sea level from the summit of Mount Everest. In the process, it has turned entire communities into public sector hells. It has made fatherlessness the norm for two generations of inner-city kids and given birth to a frightening culture of drugs and violence.

We know these communities. Washington doesn't.

It's time for President Clinton to allow the states to give it our best shot. We couldn't do worse than Washington. I know we'll do much, much better.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, as amended by Public Law 99–7, appoints the Senator from Wisconsin [Mr. FEINGOLD] to the Commission on Security and Cooperation in Europe.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

LOW-INCOME ENERGY ASSISTANCE

Mr. WELLSTONE. Mr. President, yesterday I came out on the floor to speak about the energy assistance program. I need not repeat most of what I said, yesterday. But I thought I would try to be brief and summarize.

Mr. President, I am a Senator from a cold-weather State, Minnesota. By cold-degree days, we have the third coldest days in the country behind Alaska and North Dakota. Last year in my State about 330,000 people received some energy assistance so that they would not go cold. Many of them were elderly households, many of them were households with children, and many of them were households with minimum wage workers with an average rent of around $350. Let us think about this as a kind of cold weather lifeline program, almost more of a survival supplement than an income supplement, designed to ensure that people will not go cold.

Mr. President, right now as I speak on the floor of the U.S. Senate, in my State of Minnesota, without exaggeration I can say that there are some people with no heat with the temperatures around zero. Last weekend when Sheila and I were home the temperature was about 50 below wind chill. There are people in the United States of America, in my State, and in other cold-weather States as well, I am sure, Mr. President, who are now living in one room. That is all they are able to heat—one room. There are some people with no oil or propane in their tank. Mr. President, there are some Minnesotans who are trying to heat their home by just turning on their oven. There are also people in my State—I am joined by my colleague from Iowa—who right now are not able to purchase the food they need or the prescription drugs they need because of the money they are now spending for energy maintenance to make sure they do not go cold, because they have such limited means.

In the United States of America right now, in Minnesota, Iowa, and other cold-weather States, there are people who are cold, and I am positive, I am positive as I speak here today, that somebody will freeze to death and then we will take action. It will be too late.

Mr. President, this is the problem. Last year, by the end of December, about $1 billion had been allocated out to our States for assistance. This is not a 1-year program. It does not do any good to tell people they will be able to receive some assistance so they do not get cold in June or July. Time is not neutral. The total cost of the energy assistance program nationally was less than one B–2 bomber. It was $1.3 billion last year, $900 million right now. This is the problem. It was eliminated on the House side. But Senator DASCHLE—and, I might add, other Senators as well, Republicans included, Senator SPECTER being one really good example, and I know Senator HATFIELD cares fiercely about this, and I could list others as well; Senator SMITH from New Hampshire—many people, many from the cold-weather States. We know now what has happened. It has become a moral issue.

Last year by the end of December, about $1 billion had gone out, and I think this year about $230 million has gone out nationwide. In my State of Minnesota, by this time last year, about $25 million—right now, $9 million. We have long waiting lists of people who have no assistance or people who have received only $100 when last year they received $350. What is going to happen to them next month or the month afterwards?

So, Mr. President, I will yield in just a moment for a question from my colleague. I just want to make it clear where we are right now. It is extremely important that if there is a continuing resolution—and there should be because there should not be any Government shutdown—it is extremely important that we have the language to accelerate the allocation of this money.

If you did just 75 percent of last year, I say to my colleague, that would be over $900 million. We must get this out to our States now so people do not freeze to death. There cannot be one Senator or Representative, regardless of party, that could really disagree with this proposition. If this does not happen, Mr. President, with the wording of the continuing resolution at the end of this week, it has to happen at the beginning of next week. And if there is no continuing resolution, I would say to the administration you have the authority because we already have the money. This is forward funded. We already have the money. You have the authority to release that money.

However we get the job done, for God's sake, let us get the job done. That is really what I am saying.

I feel very strongly about any issue, not because I believe this is the only issue that our country is confronted with, not because I do not fully appreciate the overall budget debate and the difficult choices that all of us have to make, not because I do not care fiercely about what will happen in Bosnia and for the safety of our soldiers and that they will be able to make a difference there. Sometimes, in all these statistics and all this alphabet soup, OMB, CBO, baseline budget—you are familiar with what I am talking about—it is just disconnected from the reality of people's lives.

This is such a time. I am a Senator from a cold-weather State, Minnesota, and I will do whatever I need to do as a Senator to get the funding out to my State, and for that matter other cold-weather States, so that people, be they seniors, be they children, be they individuals with disabilities, or be they low-wage families, are able to get some assistance so they can heat their homes now.

Right now, too many of our citizens are cold. Too many of our citizens are without heat. This is wrong. This is a moral issue. We must do something about this, and it is within our power to do something about this today. We have to take action.

I know the Senator from Iowa had a question.

Mr. HARKIN. I just wondered if the Senator will yield.

First of all, Mr. President, I thank the Senator from Minnesota for being a leader on this issue. Both the other day when he took the floor and he spoke about it and again today—I did not catch all of the Senator's remarks; I was on my way over to the floor, but I wanted to just ask the Senator if he was aware of all of the ramifications in the States that are taking place right now. I know the Senator spoke very eloquently about what is happening in Minnesota and the fact that this money is not getting out. But there are some really kind of disingenuous things going on out there. If the Senator will bear with me, I will explain it and then I will follow it with a question.

I am told that in some States in the Midwest, because of the fact that they do not have the necessary funds for the heating program, the Low-Income Heating Energy Assistance Program, they put the word out that they have just enough money to meet emergency situations, that it is being interpreted in some States as saying an emergency is if an elderly person has been notified by the utility that they are cutting off the utilities. That is the emergency. If you get your utility cut off, then you get it.

I ask the Senator, take a typical elderly person in Minnesota or Iowa, from the Midwest, it is colder than the dickens. They are living in a small town of 900 people, 1,000 people like the small towns where I come from. They are living in a small house—usually it

is women—living by themselves, on Social Security; their total income is 400 or 500 bucks a month.

I wish to point out that 80 percent, 80 percent of this money in the Low-Income Heating Energy Assistance Program, 80 percent of the money goes to people with less than $8,000 a year income. I ask the Senator to take an elderly person—as I said, many times an elderly woman—living by themselves in a small house in a small town. The heating bill comes in. They know they have to pay it. Would they just say, well, I am not going to pay it because then it will be a crisis and then I will get the money? What would that elderly person do?

Mr. WELLSTONE. Mr. President, I say to my colleague—and by the way, I would like to thank the Chair. Quite often we are speaking on the floor, and the Presiding Officer is writing letters and not paying attention. He comes from a more warm-weather State. I thank him for his courtesy.

I would say to my colleague from Iowa, we are getting all of these calls from elderly people, and I will tell you exactly what they do, and then I would like to compare notes with the Senator and get his reaction.

What will happen, under that definition, it will not happen that elderly person will not pay his or her bill, but they will not purchase the prescription drugs they will need that the doctor prescribed or they will simply have less money for food. It is that simple. And by the way, during the winter is not a time when you want to have less income to be able to have a decent diet.

That is exactly what is going on, I say to my colleague.

Mr. HARKIN. I think the Senator is correct. I think that is what is going to happen out there. So you may say, well, gee, you know, they are not in crisis circumstances; they are getting their fuel, they are paying their bills, but what is happening on the other side of the ledger? This is a crisis situation in my State, and I know it is in Minnesota.

Mr. WELLSTONE. It is.

Mr. HARKIN. I share the Senator's concern about this. We do have the opportunity, as the Senator pointed out. Now, again, for my benefit and for others, would the Senator explain it. We forward funded this, $1.3 billion.

Obviously that money has already been appropriated.

Mr. WELLSTONE. That is correct.

Mr. HARKIN. I was on the Appropriations Committee. That money has been appropriated. So why is it not going out? If we already appropriated the money, why is it not going out?

Mr. WELLSTONE. Well, Mr. President, I would say to my colleague that what has happened is by the terms of these continuing resolutions, the money cannot be appropriated right now by the administration. And that is what I was trying to explain earlier.

Right now we have a couple of different scenarios that are possible. First, I want to say to my colleague—he may or may not realize this—in the first draft of the continuing resolution from the House of Representatives, zero came out for LIHEAP for this year. There was actually language that said that no LIHEAP money could be spent, no energy assistance money could be spent, until the Labor-Health and Human Services appropriations bill of this year was passed. This would have effectively guaranteed that there would be no money going out.

We saw that and we said that if that came to the floor, we would amend it. And it was ultimately amended. With the support of the White House and others, that was dropped. But my understanding, I say to my colleague, is right now by the terms of the continuing resolution that we are under, that money cannot be spent. The only money that could be spent has been spent—about $230 million.

One of two things has to happen. If we get a continuing resolution, we have to have language which essentially says that we have to accelerate the allocation of this money which exists. Even if it was 75 percent of last year's level, that would be over $900 million, which we need to get out. But if there is no continuing resolution, I say to my colleague, the administration then has the legal authority—and we were in touch with legal counsel at OMB to confirm this—they could release the money.

Mr. HARKIN. Let me get this clear from the Senator. If a continuing resolution—that expires today. I do not know what time it expires.

Mr. WELLSTONE. Midnight.

Mr. HARKIN. Midnight tonight. If there is no continuing resolution, then tomorrow the administration could release the remainder of the money that was appropriated last year for this program?

Mr. WELLSTONE. That is absolutely correct. And we have urged the administration to do that, absolutely.

Mr. HARKIN. I want to join the Senator in making that request. I do not know if there will be a continuing resolution today or not. Who knows. I know they are negotiating right now.

Let me further ask the Senator, if a continuing resolution comes to the floor today, let us say for a short period of time, a 3-day—I heard some talk about a 3-day, 4-day continuing resolution.

Mr. WELLSTONE. Right.

Mr. HARKIN. Is that amendable? Could an amendment be offered on that?

Mr. WELLSTONE. Mr. President, I would say to my colleague and good friend from Iowa, absolutely. Here is what we do not know. My hope is that since this continuing resolution would originate from the House, that on the House side they would have put into the resolution the language, the authority, for us to go forward with accelerated funding right now.

There are many Representatives, Democrats and Republicans, who are very uncomfortable with where we are at in this Nation. Thank God they are. There are people who feel—they are saying, ''Look. We don't just want to be here while people go cold.'' All right.

So my hope would be that you would have a resolution that would come over here with a formula that would allocate the funds that we need to get out to the States so people do not go cold. People are cold now.

If that does not happen, then certainly we can amend that. That is one possibility, we can amend that, and we would insert wording that would make sure that we would get the allocation of funding out. We could do that. I say to my colleague that that is a possibility.

Now, if it was for 2 days, over the weekend, then another possibility—though we have to see—would be, depending upon commitments that are made, that it would be done in the beginning of next week.

But we have to get it done. Right now I feel very strongly we have to get it done today. We have to do everything we can to make sure that we get this funding out to families in our States so people do not go cold through a continuing resolution today or through a continuing resolution Monday or through the administration, if there is no continuing resolution, releasing the funds. It has to happen.

It makes very little difference to the people out in our States who are cold, who are really frightened, many of whom are desperate, what way the funding gets to them and what way they get the energy assistance. We can do it a number of different ways. But I have gone on record all week saying—I believe we have some amendments that we drafted to this continuing resolution. I certainly know my colleague from Iowa will be with me. If that is what we need to do, that is what we will do. If we can do it another way, we will do it another way.

Mr. HARKIN. I thank the Senator for bringing this out and answering those questions. And I look forward to working with him. The Senator is absolutely right, Mr. President, we have a crisis situation out there. We hear all the talk about shutting down the Government and the impact this would have on people who work and, with the Christmas season coming up, what it might mean for their families. And we ought to be cognizant of that. I hope there is not a shutdown of the Government. I hope that does not happen.

But for many of these elderly people—and we are talking about elderly people on Social Security, making $400 a month, $500, a lot of times living by themselves—when you do not get that Low-Income Heating Energy Assistance Program, that is more than the equivalent of a Government person losing their job for a few days. It could, indeed, be a very bleak Christmas for a lot of these people out there, too.

So I am sorry this has gone on this long. I guess we hoped against hope

there would be warm weather. But we have had some really bad weather, really cold.

Mr. WELLSTONE. I say to my colleague, Mr. President, that the other problem that my chief legislative analyst, Colin McGinnis, reminded me of is it takes about 10 days or so for OMB and HHS to run the computer formulas, cut the checks, and get the money out to the States. We have a long waiting list in Minnesota already who would be served by that funding.

So we really are again—time is not neutral. For God's sake, I would say to every single one of my colleagues, Democrat, Republican, let us do this before Hanukkah. Hanukkah is Sunday night. I am Jewish. Hanukkah is Sunday night. Then we have Christmas. Let us do this before Hanukkah. Let us do this before Christmas. Let us please make a commitment as Senators to make sure that people at least do not go cold in America. This is wrong. We can do much better.

There is no reason in the world for us not to be able to reach out. I mean, if you want to talk about family values, I think the most important family value there is is to reach out with a helping hand. I think everybody agrees with that. So we have to get this job done.

I thank my colleague. I thank my colleague from Iowa.

Mr. President, I am just going to finish up. This just is one example. I have many examples from Minnesota, but this is an example of what can happen when people are without heat, from right here in the District of Columbia. Three years ago around this time, a fire burned down a small apartment building in the Mount Pleasant region of the District of Columbia, burning to death two little girls, Amber and Asia Spencer, ages 6 and 5. The girls were killed by a fire when one of the candles that was used to heat the apartment fell over. The electricity had been turned off 2 months earlier when the girl's grandmother, their guardian, could not afford to pay the heating bill.

It is my understanding that every winter, children across the country are killed or injured by fires caused by desperate attempts to keep warm—to keep warm.

I have said to my leader, Senator DASCHLE, I have said to the Republicans—again, I know Senator SMITH from New Hampshire, another cold weather State, said he really wants to be on the floor, wants to fight hard for this; Senator ABRAHAM has been very committed to this; Senator SPECTER has been very committed to this; Senator JEFFORDS and any number of Republicans on the other side of the aisle.

I do not view this as a partisan issue. I think it was a huge mistake for the House to eliminate this. I have been fighting for this for 6 months because I know it is so important to people.

But I think right now the issue is not to have a fight. That is not the point. The point is to bring people together and to at least make the small change. We already have the money. It is already there. All we have to do is make sure that in a continuing resolution, if the Government is not shut down—and I hope it will not be shut down; I do not think it should be—to make sure in the continuing resolution that we are able to allocate the funds out to the States.

If we just do it on the basis of 75 percent of last year, Mr. President, so that now as the winter weather is upon us in our States, then we could get adequate short-term funds out fast. It can be allocated out to the communities and we can protect people. We should do that.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. WELLSTONE. Mr. President, will the Senator yield for a moment?

Mr. LEAHY. Yes.

Mr. WELLSTONE. Mr. President, I want to make it clear, I mentioned the other day the work of the Senator from Vermont. He has spoken on this several times. I want to thank the Senator and Senator JEFFORDS as well. I believe that those of us from cold-weather States know what this means in human terms. We know from the phone calls and the people with whom we visit.

I thank the Chair and the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

LIHEAP

Mr. LEAHY. Mr. President, I spoke, as did the Senator from Minnesota, on the issue of LIHEAP yesterday. I commend him for what he has said. This is an issue that is joined certainly in the northern tier States with Republicans and Democrats alike in the Senate.

We should restore these LIHEAP funds. Frankly, I strongly urge our colleagues and leadership in the other body, if need be, to simply pass a LIHEAP appropriations so we can take it up, pass it here and send it down. We would not have this issue were all the appropriations bills now passed. We can pass that one, if need be.

This is a matter of urgency. It is not an answer to say we will have the money in June of next year. It was 8 or 9 degrees below zero at my home in Vermont 2 days ago. It was way below zero last night. We had about a foot of snow in the last few days. The good news, of course, is nothing slows down with only a foot of snow in Vermont. The bad news is that the people who are without money are now faced with the question of whether they will eat or heat. Many of them are elderly. The majority of them are disabled.

There is no question we should try to get this through. It will be colder next month. It always is in January. Last year, we had about a week and a half that did not go above zero. During that time, it hit 25 to 35 degrees below zero, depending where in the State it was.

If you are living in a residence that needs the help of LIHEAP or weatherization for heating, that cold goes through pretty quickly. This is not a case of being uncomfortable. This is a case where people die. People die in their own homes. They die in their own homes from the cold. They die in their own homes sometimes when efforts are made to heat. They die in their own homes when they have actually been pulling boards out of the floor or furniture to burn to keep warm, because they know exposure to that weather for just a matter of, sometimes, minutes could bring about hypothermia and death.

Mr. President, I do not see other Members seeking the floor, so I will talk about another issue.

DEFENSE AUTHORIZATION BILL—ANTIPERSONNEL LANDMINES

Mr. LEAHY. Mr. President, I understand this afternoon at some point, we will have a vote on whether to proceed to the conference report on Department of Defense authorization. I am strongly opposed to several provisions in that bill. I will not ask the clerks to read the bill in full when it comes up, as I could. It is my way of saying ''Merry Christmas'' to them, I suppose, and to the rest of the staff. But I will express very strong concerns about it and, of course, will ask for a recorded vote on the issue of proceeding.

I do not want to hold up the issue, though, of course and as soon as it comes over here—I see the distinguished chairman, my good friend from South Carolina on the floor—I would not want to hold him up.

Mr. LEAHY. There is one issue that I intend to talk about at considerable length. This body voted by better than a 2 to 1 margin, nearly 3 to 1 margin, to put some limitation on antipersonnel landmines.

For some reason a provision that was not even considered by either the House or the Senate on antipersonnel landmines ended up in the Defense authorization bill, which would have the effect of undermining my amendment. It is an absolute disregard and repudiation of the intent of the Senate.

At a time when every member of the military is talking about the danger to our men and women in Bosnia from landmines, at a time when the President of the United States talks about the potential casualties from landmines, at a time when every press report talks about the potential of landmine casualties in Bosnia, at a time when virtually every Member of this body and the other body are concerned about the potential American casualties from landmines, we let somebody from the Pentagon write in a provision in the DOD bill, a provision that was never voted on by the House, never voted on by the Senate, never considered by either body suddenly showed up in the conference report. A provision that would ensure that the plague of landmines continues unabated.

I call on the Pentagon, out of a sense of morality, at least, to stop the hypocrisy of saying they worry about our people being injured by landmines, and then do nothing to stop their use around the world. And it is not only our troops who are threatened, it is hundreds of millions of people who are killed and maimed by these indiscriminate weapons every day. Over 26,000 people every year, and most are innocent civilians.

This, Mr. President, is a landmine. It is an antipersonnel landmine. It has been disarmed. If it were active, with just the slightest pressure it would take my arm and most of my face off.

There are millions of landmines in Bosnia, many of which are made of plastic and virtually impossible to detect, and others are designed to spring up and explode at waist level, sending out horrendous shrapnel that would disembowel or cut in half somebody within 50 or 100 feet.

When we vote on the Department of Defense authorization bill, we ought to send a very clear message to the Pentagon that it is not enough to say you want to protect our men and women when they go in harm's way on peacekeeping of rescue missions or anything else. It is time to say we will take steps here, to show leadership, to set an example, to stop this senseless use of landmines worldwide.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent to speak out of order for not to exceed 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANOTHER GOVERNMENT SHUTDOWN

Mr. BYRD. Mr. President, this year the American people have been treated to what can only be referred to as political theater of the absurd. The Republicans took control of Congress in January touting their so-called Contract With America as the vehicle for change and as the vehicle for the end of business as usual. Well, they weren't kidding. This year has truly defied all legislative logic. In some respects 206 years of process have been literally thrown out of the window.

There have been lots of talk and press events and, of course, photo-ops galore. Creative gimmicks have been used to highlight the grandiose plans of this new crowd. We have seen ostriches and bloodhounds and even golf clubs used to represent various points of view. Through all these shenanigans, the Nation has waited with bated breath for some real results.

To put it bluntly, the grinch seems to have stolen Congress' sensibilities. Here it is December 15, and the Nation is still waiting. The Nation has already lived through one record-breaking Government shutdown, and now we are facing the very real possibility that Federal workers will be furloughed for Christmas and Government services will once again be curtailed.

Today's deadline for keeping the Government running is looming and still there are no assurances that an agreement can be reached. While we in Congress jockey from one position to another seeming to be concerned only with protecting our collective political hides, the American people are wondering if we ever stop to worry about them or about the fate of the Nation.

Under the Constitution, the only real responsibility we elected Members of Congress have to worry ourselves with is that of ensuring the passage of the 13 appropriations bills that fund the Federal Government. That is all we really have to do. This year while Members of Congress have spent months and months raising the public's expectations for an end to legislative gridlock and a new blueprint for governing, we seem to be more preoccupied with one petty political nuance after another. Instead of ensuring that the people's needs are met, we are arguing over the size of the negotiating table, how many people can attend, and which door of the airplane we can use.

All of this is an unnecessary and unwarranted diversion. This year, as always, there are differences in priorities between the Democrats and the Republicans and between the Congress and the White House.

What is disturbing about our current situation is that we seem to have forgotten the concept of legislative compromise. No legislative product ever embodies the wishes and desires of all involved. Unfortunately, the political give and take that make our system of government work are sorely lacking. There is no give and take. Instead, members seem more concerned with sowing the landscape with political seeds that can be cultivated and harvested during next year's election campaigns. As I have often said, there really are matters that are simply more important than political party—more important than either political party. Responding to our elected responsibility to the people is one of them. We cannot let the American people down again or we all surely risk the wrath of the voters. And I say this to those who are focused more on November 1996: You will surely reap what you have sown!

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BURNS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE AUTHORIZATION BILL

Mr. WARNER. Mr. President, at the appropriate time, on behalf of the majority leader, I will move that the Chair lay before the Senate a conference report to accompany H.R. 1530, the Department of Defense authorization bill.

It is anticipated that there will be an objection. Since this is not a debatable motion, then at such time as the majority leader indicates—I believe it will be shortly after the motion to oppose moving forward—there will be a rollcall vote.

Mr. LEAHY. Mr. President, the distinguished senior Senator from Virginia and the distinguished senior Senator from South Carolina, both of whom are dear and respected friends of mine, and I have had some discussion on this. I anticipate asking for—and there may be others for that matter—a vote on the motion to proceed.

I tell the Senate and my distinguished colleagues that if I had intended to hold up the motion to proceed, of course, I would use the parliamentary tactic, instead, of asking for a vote on the motion to proceed requiring the reading of the bill which—it is about this big for anybody who cares. That is about 1½ feet high, and it would take a very considerable time to read. I am not going to request that, of course. I have never engaged, in my 21 years here in the Senate, in such tactics. I will, however, ask for the vote on the motion to proceed, and I assume the majority of Senators will vote to proceed.

I do this because of my concern about one provision, as I said earlier, on landmines. This is a provision that was neither in the House bill nor in the Senate bill. We passed by a two-thirds rollcall vote in the Senate a provision on landmines. The House had nothing.

When it became contentious, I said to the distinguished chairman of the committee, to the distinguished Senator from Virginia, and to the distinguished Senator from Georgia, Mr. NUNN, ''Why don't we just remove the Senate provision?'' In other words, recede to the House, which is no provision.

It is my understanding that was going to be done. It was my understanding in the conversations with the Senators involved that would be done.

I was then told by Senate staff—not by Senators, but by some Senate staff—that they could not allow their Senators to go along with such a commitment. I find that frustrating, of course, because Senators are the ones elected. And I have found that the Senators I have dealt with—especially those whom I have just talked with—have always been extremely truthful with me, as I have always tried to be with them. But my concern was—and

apparently sometimes we are considered merely constitutional impediments by our staff. In this case, the staff did not want us any longer to be impediments. In any event, this is a matter that could be solved, and could be solved easily before the conference report comes to a final passage.

I made suggestions to the distinguished Senator from Virginia, following a suggestion made by the distinguished Senator from South Carolina, of a way that we could solve this problem. That would require cooperation from the other body, and I hope that cooperation might be forthcoming.

I just thought this explanation, for Senators wondering what is going on, would be required.

LIHEAP

Mr. KENNEDY. Mr. President, one of the most serious effects of the current stopgap funding bill for the Federal Government is its treatment of the Low-Income Home Energy Assistance Program that helps needy families pay their winter fuel bills.

Under this program, the States receive the full amount of their LIHEAP benefits in October and November—the benefit levels that are set to deal with the emergencies.

It is bad enough that the current stopgap funding cuts these funds 25 percent below last year's levels. Even worse, it pays out those funds on bases that are prorated for a full year. So the States are receiving less than the usual share in October and November to plan for the winter.

This chart illustrates it. Last year, on December 15, 1994, some $800 million out of approximately a little over $1 billion had been distributed in LIHEAP. This year it is down to $231 million.

The total amount in the LIHEAP has been reduced by 25 percent. But, nonetheless, this is what is currently distributed under the continuing resolution because of the way that continuing resolution is drafted.

All we have to do is see what have been the temperatures of the last few days. In Boston it was 18; Duluth, MN, it was 22 below; Milwaukee, 1 below; even down in New Orleans, 26; Des Moines, IA, 7; Burlington, VT, 13—an enormously cold snap.

I know my good friend and colleague, Senator WELLSTONE, has talked about that issue as has the Senator from Iowa.

LIHEAP PROVISIONS IN THE CONTINUING RESOLUTION

Mr. KENNEDY. Mr. President, one of the most serious defects of the current stop-gap funding bill for the Federal Government is its treatment of LIHEAP, the Low-Income Home Energy Assistance Program that helps needy families pay their winter fuel bills.

Under that program, States receive most of their full-year LIHEAP allocation in the 2 months of October and November so that they can prepare for the winter, set benefit levels, and deal with emergencies.

It's bad enough that the current stop-gap bill cuts these needed funds by 25 percent from last year's level. Even worse, it pays out those funds on a basis that is prorated on a full year, so that States are receiving far less than the usual share in October and November to plan for the winter.

By this time last year, Massachusetts had received $32 million of its annual $54 million allocation. This year, however, Massachusetts has only been allowed to draw down $9.5 million.

In fact, all States had received $800 million of last year's $1.3 billion LIHEAP appropriation by December 15 of last year. Under the stop-gap bill, however, that level has dropped to only $230 million—a 71 percent cut—even though the bill is supposed to impose only a 25 percent cut at most.

States have found it extremely difficult to serve their needy citizens without access to these up-front funds. In fact, many States have had to establish triage policies to meet only the most dire emergencies.

Massachusetts energy agencies have said that they will respond only to cases where a utility terminates services, or where homes have less than one eight of a tank of fuel oil. The State has cut annual LIHEAP benefits from $430 to $150 per household to ensure that they have enough funds for emergencies throughout the winter.

In Gloucester, the agencies have been faced with a choice of spending nonauthorized LIHEAP funds or letting some families freeze to death.

In Salem, the local government has dipped into its own scarce funds to provide needed assistance.

In Springfield, Patricia Nelligan, the fuel assistance director for the New England Farm Workers' Council, said that unless more LIHEAP funds are made available soon, their program will have to shut down by the end of next week.

It may not officially be winter yet, but winter has already arrived with a vengeance in many parts of the country. For the 6 million recipients of LIHEAP assistance across the Nation, it will be a desperate Christmas unless more aid is available.

Ninty five percent of the households receiving LIHEAP assistance have annual incomes below $18,000. They spend an extremely burdensome 18 percent of their income on energy, compared to the average middle-class family, which spends only 4 percent.

Researchers at Boston City Hospital have documented the heat or eat effect, where higher utility bills during the coldest months force low-income families to spend less money on food. The result is increased malnutrition among children.

We had a very interesting hearing the other day about the impact of a series of cuts on children. The most moving part of the testimony was some of the schoolteachers who talked about the fact of the loss of weight that is taking place with small children 7, 8, 9, 10-years-old during the wintertime and particularly during the coldest months. It is really unthinkable that that would happen here in America, but yet it does. We have an opportunity to do something about that hopefully this afternoon.

The study also found almost twice as many low-weight and undernourished children were admitted to Boston City Hospital's emergency room immediately following the coldest month of the winter. No family should have to choose between heating and eating.

But it is the poor elderly that will be at the greatest risk if more LIHEAP funds are not made available, because they are the most vulnerable to hypothermia. In fact, older Americans accounted for more than half of all hypothermia deaths in 1991.

In addition, the elderly are much more likely to live in homes built before 1940 which are less energy efficient and put them at greater risk.

Low-income elderly who have trouble paying their fuel bills are often driven to rely on room heaters, fireplaces, ovens, and wood-burning stoves to save money. Between 1986 and 1990, such heating sources were the second leading cause of fire deaths among the elderly. In fact, elderly citizens were up to 12 times more likely to die in heating-related fires than adults under 65.

Over 50 Senators have signed a letter urging the budget negotiators to allow States to draw down LIHEAP funds at the up-front rate if a further stopgap funding bill is enacted. I urge the Senate to support this provision, so that families can receive the urgent assistance they need.

Christmas is approaching, and in many parts of the country, temperatures have dropped to levels close to those at the North Pole. But Santa Claus does not release LIHEAP funds to the States—Congress does, and we must act quickly to avoid tragedy.

Let me summarize, Mr. President. This is not a question of increasing the fiscal year 1996 appropriation for the LIHEAP Program, although I hope that the program will be fully funded in the next budget resolution.

What's at stake is the State's access to the LIHEAP funds that are already available so that the elderly, disabled, working poor, and their children can be served before the temperature drops even further.

That is not a heavy lift for Congress. Over half of the U.S. Senate signed a letter urging that States be allowed to draw down LIHEAP funds at the normal rate.

In October, 180 House Members signed a letter circulated by Representative JOE MOAKLEY which requested that LIHEAP be funded at the level proposed in the Senate version of the Labor-HHS appropriations bill—$900 million.

In Massachusetts last winter, 42,000 out of the State's 137,000 LIHEAP households were elderly; 30,000 of the households also received supplementary security income; 32,000 of the households were working-poor; 69,000 of the households received food stamps; 50,000 of the households received Social Security; and 45,000 of the households received Aid to Families with Dependent Children.

Cold weather does not play partisan politics. When the temperature drops, it affects all people—Democrats and Republicans, Northerners and Southerners alike. It does not discriminate—it is an equal opportunity discomfort.

Mr. President, if we have an opportunity for the continuing resolution this afternoon, I know that Senator WELLSTONE will offer an amendment to permit the expenditure of vitally needed funds to be available to those 6 million Americans who today are in very difficult, dire circumstances because of the cold snap. If it is not, I join with those who urge the President to use his Executive powers to be able to move ahead with front end funding of those funds in an orderly way. Clearly, the overwhelming sense of the Members of this body and of the House of Representatives is that of supporting getting these scarce resources out to the public. It will make absolutely no sense because of a technicality to restrict the flow of these funds over a 12-month period when the greatest need is now during the wintertime and where it has been the wintertime since the establishment of this program, but because of a technical glitch we find ourselves under these circumstances. This circumstance cries out for action.

So, Mr. President, I know I speak for all the families in Massachusetts that are dependent upon LIHEAP. They are facing a critical situation. We cannot let this situation continue to go without action here in the House of Representatives and the Senate. We have serious business obviously in terms of the budget and the budget positions in terms of preserving Medicare and Medicaid and education and environmental issues, but this is an emergency situation that cries out for action. Whatever we are going to do on the budget will not be affected if we move ahead with advance funding to take care of the emergency needs of our elderly. It will not be affected. So we have to take this action, and we welcome the bipartisan support that we have received here. It has been bipartisan in the Senate. It has been bipartisan in the House. And I am pleased that the President has indicated his strong support for getting this problem resolved.

STUDENT LOAN PROGRAMS

Mr. KENNEDY. Mr. President, just briefly on another subject but a very important one, I address the Senate on the issue of the Republican budget and the student loan programs which are so important to the sons and daughters of working families in this country. There is a wide divergence in priorities between the two parties on the direct loan program as well as on other education issues.

The Republican budget bill has always been bad news for students, and bad news for the deficit. Now, according to estimates just released by the Congressional Budget Office, the deficit news is $1.1 billion worse.

Under the revised estimates, the negative budget impact of the Republican student loan provisions has more than doubled—from $900 million to $2 billion in additions to the deficit if the Republicans persist in their misguided scheme to dismantle the highly successful ''direct loan'' program for college students.

The bill vetoed by the President last week would have limited the direct loan program to 10 percent of all loans, and earmarked 90 percent of student loans for banks and other middlemen.

Mr. President, what we had done in recent years was to develop a direct loan program and permitted the guaranteed student loan program to go into effect. The total volume of direct loans is about 40 percent of all the student loans; 1,350 colleges and universities are participating in direct lending, accounting for 40 percent of loan volume. Under the Republican compromise, it will be reduced to 10 percent.

We made efforts on the floor of the Senate to let the schools in Montana and throughout this country make their own judgments whether they wanted to go to the direct loan program or go to the guaranteed loan program. Not one college or university in this country selected to go from direct loan programs to guaranteed loan programs. Not one. It is a success with the students and with the administrators.

The Republican provision is among the most notorious and objectionable special interest giveaways in the entire Republican budget plan. Its obvious motive is to divert billions of dollars in new business and higher profits to the banks and guaranty agencies in the guaranteed student loan program.

According to CBO, if direct lending is limited to 10 percent of loans, the banks and guaranty agencies would gain $103 billion in additional business over the next 7 years, and an estimated $6 billion in higher profits.

This arbitrary Republican ceiling on the direct loan program would force 2 million students and 1250 colleges out of direct lending and back into the bureaucratic maze of the guaranteed student loan program. Republicans are asking Congress to swallow this blatant special interest giveaway in the name of deficit reduction. But as the CBO's latest estimate makes plainer than ever, there is no deficit reduction, and the addition to the deficit is greater than ever.

This problem began when the Republican budget adopted last May contained a biased requirement for estimating the cost of direct student loans. The requirement was designed to make loans to students by banks under the guaranteed loan program appear cheaper than loans issued directly to students by the Federal Government. According to CBO's new estimate, the use of this biased procedure will add $6.5 billion to the deficit over the next 7 years. Other student loan provisions in the Republican budget save $4.5 billion over the same period, according to CBO's most recent calculations. Thus the net effect of the Republican student loan provisions is to add $2 billion to the deficit.

Under the previous CBO estimate, the biased budget rule added $5.8 billion to the deficit, and was offset by $4.9 billion in savings, for a net addition to the deficit of $900 million. Clearly, Republican deficit concerns go out the window when corporate welfare like this is at stake.

Republicans would like us to believe that their attack on direct lending is designed to eliminate Government bureaucracy and stimulate the private sector. But the guaranteed student loan program is hardly a monument to corporate efficiency and free enterprise. It is a bloated bureaucracy consisting of 7,000 lenders, 41 guaranty agencies, and 25 secondary markets who employ more than 5,000 people. That is 25 percent more than the entire U.S. Department of Education and 10 times more than the number of employees who actually administer the direct lending program.

In the private sector, companies take risks in the hope of making profits. But there's no risk in the guaranteed student loan program. It's all gravy. It's all corporate welfare. The banks and guaranty agencies reap all the profits and take none of the risks, because Uncle Sam is guaranteeing payment of the loans. It's not free enterprise at all. It's a Government-sheltered industry that's grown up like Topsy under the umbrella of Uncle Sam.

William Niskanen, who is now president of the Cato Institute, and was formerly a member of the Council of Economic Advisers under President Reagan, put it this way:

> These guaranteed loans are a sweet deal for the banks; unless they choose to collect on the loans, the banks provide no services other than to make a loan guaranteed by the federal government at a substantial premium above the rate if they made the same loan to the government. Moreover, because lenders have little incentive to be diligent collectors of guaranteed loans, the government has set up a complex and costly system of nonprofit guaranty agencies to manage these loans.

Larry Lindsay, a member of the Federal Reserve Board appointed by President Bush, put it even more bluntly: ''As long as it is necessary to provide a profit to induce lenders to guarantee student loans, direct lending will be cheaper.''

The cost-effectiveness of direct lending was confirmed just this week in a study by the audit committee of the

Colorado Legislature. At the University of Colorado at Boulder and Colorado State University, the implementation of direct lending saved the universities $192,000 and $133,000, respectively, in a single academic year.

Direct lending also works better for students and colleges than the guaranteed loan system. According to colleges participating in direct lending, it provides excellent service. The application is simpler and the disbursing process is more prompt. Students spend less time filling out paperwork and waiting in lines. Loan funds get to students more quickly.

In 1993, when the University of Colorado at Boulder was using the old guaranteed loan program, only 3,000 checks were available to students by the first day of class. This year, under direct lending, 6,600 checks were ready for students to buy needed books and supplies. One student called it ''the best thing since microwave brownies.''

Colleges and universities across the country share this view. In a survey by the Education Daily, more than 90 percent of participating colleges and universities called direct lending ''excellent.''

Direct lending has also created more flexible repayment terms. It gives students the option of paying their loan back as a percentage of their income. When graduates are starting a family, working in their first job, starting a business, or going into public service work, they can make smaller payments.

Our Republican colleagues claim that their budget bill would extend flexible repayment terms to students in the guaranteed loan program. But under the Republican plan, the availability of flexible repayment options, such as income-contingent repayment, would depend on whether a particular guaranteed loan holder chooses to offer it.

Ask colleges and universities what they think. They're outraged at being forced out of one of the most successful reforms in the history of Federal aid to education. Some colleges and universities across the country have written urging Congress to reject this arbitrary limit on their ability to choose the loan program that best serves their students.

Over a hundred of the colleges that signed the letter are not in direct lending. But they too recognize its benefit for their students. As they put it:

> Those of us who represent institutions that are satisfied with the guaranteed student loan program also support the continued availability of the direct loan program to institutions. The competition created by direct lending has induced banks and guarantors to improve the efficiency of their delivery process, and has, for the first time, provided the student loan industry with market-based incentives to provide better service. The guaranteed student loan system has improved more since the phase-in of direct lending two years ago than it did over the more than two decades of existence prior to 1993.

The message doesn't get much clearer. Colleges and universities across the country are unanimous. The student loan system needs more competition, not less. With direct lending, both of loan programs have been working more efficiently because of the competition. What we saying is let competition rule. Let colleges and universities make the judgment themselves, not have that dictated from Washington.

What are our Republican friends afraid of? Why not let the two systems compete fair and square? Let the marketplace pick the winner, not Congress.

It is hard to find a more vivid or disgraceful example of the prostitution of Republican principles. When a special interest's Government-guaranteed profits are at stake, Republicans are more than willing to sell out free-market competition, and continue the heavy hand of a Government-guaranteed monopoly.

It's obvious what's happening here. Direct lending is taking colleges and universities by storm. It's one of the best new ideas in higher education in years. It's good for colleges and good for students, and it saves Federal dollars.

Direct lending has already established its solid appeal to the country. It's already captured 40 percent of the market in 2 short years.

So the guaranteed loan industry has mounted a desperate last-ditch lobbying campaign to persuade Congress to roll back direct lending.

Republicans should scrap their cynical attack on direct lending. They should let competition work. They should allow colleges and universities to choose the kind of loan program they want. And if they do, they'll find $2 billion more to put into deficit reduction at this stage of our balanced budget negotiation.

CBO has finally come out on this issue and found that this will be more costly to the Federal taxpayers, something that we have known for some period of time, and they have come out with that report at the present time. That, I think, gives the administration strong arguments to stand by their position to give choice to the States and the colleges and universities on which way they want to go, direct loans or guaranteed loan program.

We hear so much rhetoric, do not let Washington dictate what is good back home in Montana or Massachusetts.

If there is ever an example of that, Mr. President, it is permitting the colleges and universities in our 50 States to make their own judgments which direction to go in, what we do now. When they go to the direct loan, it saves the overall taxpayers billions of dollars. That has been reaffirmed once again this afternoon with the Congressional Budget Office review of these figures and statistics which are the best evidence.

I thank my friend and colleague from Virginia for permitting me the opportunity to address the Senate.

Mr. DOLE. Mr. President, what is the pending business?

THE CONTINUING RESOLUTION

The PRESIDING OFFICER. The Senate is in morning business.

Mr. DOLE. Mr. President, let me indicate that we have had very little success in the first, what we thought would be a serious negotiation on the budget. Apparently they were not serious. The offer by the President was filled with smoke and mirrors. I said earlier we might not be around here this weekend. Now I think there is a great likelihood we will be in session tomorrow and maybe unavoidably on Sunday.

The House will probably send us a continuing resolution with some attachment. I am not certain quite what that would be. Maybe welfare reform. And that might take some debate, unless we get consent that everything passes by voice vote. So I need to alert my colleagues not to get too far away. And I will keep my colleagues informed as soon as I have further information.

But it appears that there is not much prospect, not much reason to continue trying to negotiate with the White House when they do not want to really get serious about balancing the budget over the 7 years without falling back on the old smoke and mirrors and things that we thought maybe had changed.

I think our next step would be to try to negotiate with some of our Democratic colleagues who are concerned about the budget and welfare reform and saving Medicare and tax cuts for families with children. And that will be pursued later this afternoon.

So I can only say that we will be here some time yet today, and depending on when the House acts on the CR, probably tomorrow. But I will try to give my colleagues the specific times. And maybe some may not come in until afternoon depending again on how the House acts. I cannot give anybody more specificity, but as soon as I have information I will come to the floor and make an announcement.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996—CONFERENCE REPORT

MOTION TO PROCEED

Mr. DOLE. I now move that the Chair lay before the Senate the conference report to accompany H.R. 1530, the Department of Defense authorization bill.

Mr. LEAHY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Tennessee [Mr. FRIST], the Senator from Texas [Mr. GRAMM], the Senator from

Arizona [Mr. MCCAIN], and the Senator from Kentucky [Mr. MCCONNELL] are necessarily absent.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KERRY], the Senator from Maryland [Ms. MIKULSKI], and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 23, as follows:

[Rollcall Vote No. 607 Leg.]

YEAS—66

Abraham	Feinstein	Lugar
Akaka	Gorton	Mack
Ashcroft	Graham	Murkowski
Bennett	Grams	Murray
Bingaman	Grassley	Nickles
Bond	Gregg	Nunn
Breaux	Harkin	Pressler
Burns	Hatch	Reid
Byrd	Heflin	Robb
Campbell	Helms	Roth
Chafee	Hollings	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Cohen	Inouye	Smith
Coverdell	Jeffords	Snowe
Craig	Johnston	Specter
D'Amato	Kassebaum	Stevens
Daschle	Kempthorne	Thomas
DeWine	Kerrey	Thompson
Dole	Kyl	Thurmond
Domenici	Lieberman	Warner
Exon	Lott	Wellstone

NAYS—23

Baucus	Feingold	Levin
Boxer	Ford	Moseley-Braun
Bradley	Glenn	Moynihan
Brown	Hatfield	Pell
Bryan	Kennedy	Pryor
Bumpers	Kohl	Sarbanes
Conrad	Lautenberg	Simon
Dorgan	Leahy	

NOT VOTING—10

Biden	Gramm	Mikulski
Dodd	Kerry	Rockefeller
Faircloth	McCain	
Frist	McConnell	

So, the motion was agreed to.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996—CONFERENCE REPORT

Mr. THURMOND. Mr. President, I submit a report of the committee of conference on H.R. 1530 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CRAIG). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of December 13, 1995.)

Mr. THURMOND. Mr. President, I am pleased to present the conference agreement on the National Defense Authorization Act for fiscal year 1996 for approval by the Senate.

This conference agreement contains a broad range of authorities that are essential for the men and women who now serve in our Armed Forces, and for the effective operation of the Department of Defense. It is my hope that the Senate will pass this conference report, and the President will have the wisdom to sign it into law, because the important authorities it contains will significantly benefit our Armed Forces and the failure to enact these authorities will significantly disadvantage our troops. I am pleased that the House passed it today, 267 to 149.

I want to make sure my colleagues and the administration clearly understand that this is a period of high risk and exceptional danger for our military men and women. This is not the time to make defense a political issue. I want to caution my colleagues and the administration in the strongest terms not to politicize this bill at a time when the effects of such an action will be amplified to a high degree for every individual soldier, marine, sailor, and airman who is now deploying as part of the implementation force in Bosnia.

The authorization bill contains abundant important elements of authority for programs, systems, acquisitions, administration, and operations, and its passage will ensure that the Department will have the best possible chance to conduct its work as efficiently as possible. Likewise, failure to pass the authorization bill will encumber and disadvantage the Department unnecessarily.

The President has committed more than 30,000 uniformed men and women to a hazardous and lengthy operation in the former Yugoslavia. I believe no one doubts that he is sending our troops in harm's way. Some of these people may lose their lives in hostile actions and accidents. The President and the Congress must make every effort to ensure that nothing—absolutely nothing—is done to jeopardize or impede them in any way.

The Senate just passed a resolution to support these men and women unequivocally. The Senate has committed itself to providing our troops with all the necessary resources and support to carry out their mission and ensure their security. Although the dollar resources for defense are addressed in part in the appropriations bill, which has been enacted, the detailed guidance and authority to conduct the business of the Department of Defense, and to implement badly needed improvements, and to award new contracts and take care of families, are all contained in the authorization bill.

I would agree with the recent observation of my colleague from Vermont, Senator LEAHY, who commented during the debate on veterans appropriations that he found ''a number of ironies, as I speak, American troops are being deployed in Bosnia. Every Senator who came to this floor, debating the deployment of our troops pledged support for them.'' Mr. President, I find it ironic that any Senator would consider blocking or voting against the defense authorization at this time or attempt to use this bill for political purposes. Politics must stop at the water's edge when our forces are deployed to a hostile fire area.

Mr. President, it had been my impression that the Committee on Armed Services spent the last 3 months working in what had been its traditional bipartisan manner to reach a mutually acceptable conference agreement. I am now disappointed to learn at this late date that the minority have felt excluded from the conference negotiations. I want to assure my colleagues that was not my intent. I am disappointed that the bipartisan atmosphere of the committee may be about to be compromised and jeopardize the defense authorization bill.

Mr. President, I would now like to turn to the substance of this bill. This agreement is in line with the priorities we established last January. I would summarize these priorities by saying there is a serious need to revitalize our Armed Forces in order to ensure our Nation remains clearly able to deter and, if necessary, to counter any future threat to stability and security. This legislation provides the direction and authority for that revitalization.

The conference agreement authorizes a 2.4 percent pay raise for the uniformed services, including the 20,000 men and women who will be deployed in Bosnia and the thousands who will support them. If this agreement does not become law—and I want to repeat this, if this agreement does not become law—they will not receive this increase, and military pay will lag even more than it does already. I find it unfortunate that the administration would choose to block this pay raise for the men and women it is now sending to Bosnia.

This agreement authorizes badly needed quality of life projects that are essential to family life and the retention of high quality people. It authorizes important improvements to military family housing, barracks, dining facilities, and work areas. Some critics of this bill would have us believe these authorities are unnecessary or extravagant. Mr. President, as we stand here today in the comfort of this Chamber, there are military men and women who are standing in the mud, exposed to rain and snow while they maintain their vehicles, because they do not have concrete hardstand in their motor pools. There are military men and women who are living in barracks that are substandard. Improvements will not be available unless this agreement

is enacted. I want to repeat that: Improvements will not be available unless this agreement is enacted.

This bill also contains the authority to reform the acquisition and procurement processes in accordance with the general effort to streamline government. These reforms will enable the services to obtain new equipment, supplies, and commercial products quickly and efficiently, instead of having to wait for the bureaucracy. It also reforms the process for managing the procurement of the information technology which provides our front-line troops with the latest and best information about their situation.

I would like to point out that all the acquisition reform provisions contained in sections D and E of the bill will be lost if the conference agreement is not enacted. Federal agencies will not be able to acquire technology from the commercial sector rapidly. The administration will take the blame for failing to enable reform, despite their extensive rhetoric about how such reforms are needed.

I am pleased that the conferees agreed that the military services have been underfunded and, in many cases, overextended, and that these problems had to be corrected. It is difficult to make the case, as some have tried, that the budget proposed by the administration is adequate in light of testimony by the Comptroller of the Department of Defense that defense is underfunded by approximately $50 billion. The General Accounting Office has concluded that the shortfall is actually closer to $150 billion. This legislation takes a step toward correcting this shortfall by authorizing $7 billion above the budget request. This is only a small amount of the deficiency.

The additional budget authority is also necessary because the demands placed upon our military in the past 2 years have been greater than their budgeted requirements. These demands came at a time when the force was being reduced in the most dramatic drawdown since the end of the Second World War, and often exceeded the operating tempo of the cold war years. As a result, current readiness declined late last year and funds were moved or budgeted by the administration from future readiness accounts to current readiness accounts in order to prevent further movement toward a new hollow force.

The Committee on Armed Services took note of the decline and added funds in this agreement to some current readiness accounts. However, I would like to stress again to my colleagues that the greater problem in readiness is not in the current readiness accounts but in modernization and procurement. These accounts remain significantly underfunded, and I am concerned that our Armed Forces may not have the modern, up-to-date equipment they will need to overmatch any potential adversary.

Procurement funding has declined by 44 percent since 1992 and procurement is at the lowest level as a percentage of the budget since the years prior to the Second World War. This means that many basic essentials are not being bought in sufficient quantities to meet requirements and we are not investing today to achieve savings in the future. This also means the services must spend more of their budgets to keep older systems in operating order. The Chairman of the Joint Chiefs of Staff has stated there is a serious deficiency in procurement, and this agreement takes a step toward resolving that deficiency.

Our Armed Forces were able to prevail in the Gulf war because they had superior equipment that had been developed, built, and fielded long before the threat of an Iraqi invasion emerged. Our military men and women were superbly trained because we recognized the inherent value of keeping our military trained and ready, not because we planned to fight a war with Iraq. This experience serves to reinforce the lesson that you cannot sacrifice future readiness in order to save current readiness. Both must be funded adequately, or both will be lost.

That is the situation we confronted as we approached our work this year, and we took our time in order to get it right. By proceeding carefully and deliberately, the conferees ultimately achieved a responsible, thoughtful, and effective authorization bill. Although this legislation will serve as a roadmap to guide our national security into the 21st century, it is not all that I had hoped for, and our task is not yet finished. However, this legislation addresses future readiness requirements by adding substantial funds to procurement so that our forces will have superior, modern systems ready for any future conflict.

The budget request raised grave concerns about the Navy's future force structure, but the conferees addressed the most serious shortages in the area of seapower. The funds requested for shipbuilding were at the lowest level since before 1950 and the number of ships, three, was the lowest number since the Great Depression. Next year's shipbuilding budget is even lower, and the Navy's 6-year shipbuilding plan will not sustain a fleet of 200 ships, let alone the 335 needed to meet the administration's own bottom-up review force structure goals. Shipbuilding budgets in the period beyond the 6-year plan will have to reach historical highs of $13 to $15 billion just to catch up.

By utilizing the additional resources made available for defense by this year's budget resolution, the conferees were able to add $1.5 billion in order to double the number of ships that will be bought this year. There is now authority to procure six *Arleigh Burke* class destroyers, two amphibious ships, and a *Seawolf* submarine. Ships that were added are in the Navy's shipbuilding plan; those ships had been squeezed into the outyears by the severe constraints of near-term budgets.

Buying these ships now will: save money through more efficient production quantities; resolve severe deficiencies in amphibious lift; sustain the industrial base; provide combatants needed for fleet and ballistic missile defense and long range land attack; and relieve extraordinary pressures on future shipbuilding budgets. This is a responsible use of taxpayer dollars.

The committee also sought to sustain Marine Corps modernization. There is authority to procure essential components such as: LHD–7 and LPD–17; the Advanced Amphibious Assault Vehicle; additional AV–8B aircraft; and the V–22 aircraft. Mine clearance and surface fire support are also strongly supported in this conference report, as is a wide spectrum of basic Marine Corps needs.

Since the end of the cold war, the committee has emphasized programs that would counter the threat posed by the proliferation of weapons of mass destruction. The conference report would authorize funds for the counterproliferation support program. The nerve gas attacks in Japan and the bombing in Oklahoma this year highlight the need to protect not only our military personnel, but also our citizens within the United States, against the use of weapons of mass destruction by terrorist organizations or transnational groups.

Now more than ever, our U.S. military relies on space to sustain a broad mix of space- and ground-based capabilities to meet multiservice and joint warfighting requirements. These funds would accelerate the development and deployment of essential military technologies and capabilities to combat nuclear, chemical, biological and radiological weapons.

The conference report would require the Department of Defense, the Department of Energy and other appropriate Government agencies to report to Congress on their military and civil defense preparedness to respond to these emergencies. The conference report would also authorize the Department of Defense to provide assistance in the form of training facilities, sensors, protective clothing, antidotes, and other materials and expertise to Federal, State, or local law enforcement agencies.

In the area of arms control, the conference report authorizes funds that would enable the United States to meet its treaty obligations to destroy or dismantle chemical and strategic nuclear weapons and material, as well as provide $300 million for the Cooperative Threat Reduction Program, to aid the destruction of nuclear and chemical weapons in the former Soviet Union.

On the question of theater missile defense demarcation, the conference outcome is virtually identical to the Senate-passed provision. This should alleviate concerns about constraining the President's prerogatives in negotiations while fulfilling the constitutional responsibility of Congress to review the

results of those negotiations. I believe we have addressed all the concerns of the administration and the minority conferees.

On national missile defense, the conference agreement strikes a balance between opposing views. The administration and others have argued that requiring deployment of a multiple-site national missile defense system by a date certain would constitute an anticipatory breach of the ABM Treaty. Although I do not agree with this argument, the conferees attempted to satisfy this concern. The conference agreement requires the Secretary of Defense to develop an NMD system that will achieve an initial operational capability by the end of 2003. However, we do not require that this be a multiple-site system, although it is clear that our ultimate goal is a multiple-site system.

I am very disturbed to hear some talk about vetoing this agreement over the ballistic missile defense provisions, because I believe the conference outcome is balanced and fair. If this veto comes to pass, it will become clear that the administration's arguments over the ABM Treaty were merely attempts to block the deployment of any type of national missile defense system, to include one that complies with the ABM Treaty. At a time when we are about to deploy 20,000 Americans to Bosnia, I find it hard to believe that the President would veto this important bill simply because he does not want the American people to have a modest defense against ballistic missiles.

In matters relating to readiness, the conferees agreed to an approach to reform the process of allocating and performing depot-level maintenance and repair. If this bill is not enacted, the administration will be throwing away its best chance to reform the process by which depot maintenance work is allocated and performed. The conferees also authorized funds above the budget request for base operations, real property maintenance, and recruiting.

The section on Department of Energy national security programs contains numerous important provisions to strengthen the U.S. nuclear weapons program. These include $118 million above the request for stockpile management. It also directs DOE to modernize its remaining manufacturing plants in Missouri, Tennessee, Texas, and South Carolina. Modernization is necessary to meet the near-term infrastructure requirements of the nuclear posture review and signals that the United States will maintain the capability to repair and refabricate our nuclear weapons stockpile.

The bill provides $50 million for the first year of an initiative to provide a new source of tritium gas. Because tritium decays, and since we ceased production in 1988, we must complete a new production facility early in the next decade.

The bill authorizes several stockpile stewardship initiatives at the three nuclear weapons laboratories in California and New Mexico, enabling us to determine whether DOE can maintain long-term confidence in our nuclear weapons without conducting underground nuclear testing.

The bill also focuses resources on cleaning up the highest priority nuclear waste problems at the former nuclear materials production sites, and accelerating certain clean up schedules. It also funds the isolation and reduction of spent nuclear fuel rods, some of which are beginning to corrode.

This legislation sends the message to DOE that the maintenance of a safe and reliable nuclear weapons stockpile, sized to defense requirements, continues to be the DOE's core mission and the primary reason for its existence. It also tells DOE to get on with real clean up at the highest priority nuclear waste problem sites.

To continue on the topic of environmental stewardship, the agreement establishes uniform national discharge standards for vessels of the Armed Forces. This important environmental initiative will be lost if the bill is not enacted.

Quality of life for military personnel and their families was an important priority for the committee. In the areas of personnel, compensation, and health care, the conferees authorized a 2.4-percent pay raise for members of the uniformed services effective January 1, 1996. We also authorized a 5.2-percent increase in the basic allowance for quarters to close the gap between the current allowance and actual housing expenses.

The conferees changed the 1996 military retired pay cost-of-living adjustment to be effective March 1, 1996 and paid on April 1, 1996. In 1997, the COLA will be effective December 1, 1996 and paid on January 1, 1997. In 1998, military COLA will conform to the civilian COLA date. I am delighted that we were able to restore the alignment of the military retiree and Federal civilian retiree COLA dates. This has been a priority of the committee since 1993.I want to acknowledge the contributions of my friend Senator DOMENICI, chairman of the Budget Committee, for his help in making the COLA adjustment possible.

However, neither the full pay raise nor the retiree COLA equity provision will take effect unless this agreement is enacted.

We directed the Secretary of Defense to establish a dental insurance plan for members of the selected reserve, similar to the active duty dependent dental plan, with voluntary enrollment and premium sharing. We also authorized an income protection insurance plan for members of the ready reserve.

With the cooperation of the Veterans' Affairs Committee, we were able to adjust the automatic level at which service members enroll in the Servicemen's Group Life Insurance Program to $200,000, effective April 1, 1996. The last time we adjusted SGLI was during the Persian Gulf war. Ironically, we need to make another adjustment to SGLI as we again deploy U.S. forces in harm's way. I sincerely hope that no family finds itself in a position to receive this increased benefit, but I am pleased that we were able to authorize the increase. However, it will not take effect unless this bill is enacted.

The conferees also recommend $480 million above the budget request for military construction, particularly for military housing, mission-related facilities, and revitalizing infrastructure. The conference agreement establishes new authorities for the construction and improvement of military housing that will permit shared public-private funding in order to maximize opportunities at the lowest cost possible.

This agreement also takes a major step toward a more streamlined government acquisition process. Provisions of the bill will enable greater access to commercial technologies for Federal agencies. These include relieving burdens on contractors who supply commercial items as well as giving agencies the ability to acquire new commercial products from the marketplace. This will result in savings to the taxpayer and create new opportunities for businesses. We have taken this major step in acquisition reform while maintaining the requirement that contracts be awarded using full and open competition.

Mr. President, I would like to express my appreciation to my colleagues on the Committee on Armed Services for their cooperation and wisdom in developing and approving this agreement. I extend my appreciation to the distinguished ranking minority member of the committee, Senator NUNN, for his bipartisan work during the conference. I want to thank my staff director, Gen. Dick Reynard, and the majority staff for their fine work. I would also thank General Arnold Punaro and the minority staff for their contributions. I ask unanimous consent that a list of the staff be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MAJORITY STAFF

Charlie Abell, Tricia Banks, Les Brownlee, Dick Caswell, Monica Chavez, Chris Cimko, Greg D'Alessio, Don Deline, Marie Dickinson, Shawn Edwards, Jon Etherton, Pamela Farrell, Melinda Koutsoumpas, Larry Lanzillotta, George Lauffer, Shelley Lauffer, Steve Madey, John Miller, Ann Mittermeyer, Bert Mizusawa, Joe Pallone, Cindy Pearson, Connie Rader, Sharen Reaves, Dick Reynard, George Robertson (GPO staff), Steve Saulnier, Cord Sterling, Eric Thoemmes, Trey Turner, Roslyne Turner, Deasy Wagner, and Jennifer Wallace.

MINORITY STAFF

Dick Combs, Chris Cowart, Rick DeBobes, John Douglass, Andy Effron, Jan Gordon, Creighton Greene, P.T. Henry, Bill Hoehn, Jennifer Lambert, Mike McCord, Frank Norton, Arnold Punaro, Julie Rief, and Jay Thompson.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, Senator THURMOND has shown great patience and endurance through a long and difficult negotiation with the House. I have great respect for Senator THURMOND and for his leadership. I commend him for his diligent efforts. Without his strong efforts we would have never been able to get this report out of conference.

It has been a very difficult year. I signed the conference report out of my great respect for Senator THURMOND, and I have also voted in favor of the motion to proceed. This will give the Senate the opportunity to consider this conference report. As I said this morning on the floor of the Senate, contrary to one newspaper article, I am not lobbying Senators to vote against this bill. To the contrary, I am making sure that everyone understands my position. I do have serious reservations. I will vote against the bill. But everyone will have the conference report before them and they can make up their own minds.

I think this bill deserves to be voted on. I have urged everyone on our side not to cause any kind of undue delay. There are a number of Members who want to speak and there are a number of Members who will speak, I am sure. But it is certainly my hope that we will be able to come to a conclusion on this bill. I will do everything I can to cooperate in bringing this bill to a vote and in making sure the conference report is sent to the President for whatever he may decide to do.

As I said on the floor of the Senate this morning, and as I said when I signed the conference report earlier this week, I have serious reservations about the conference report and I will vote against the it when we vote. I also made it clear this morning that, in my judgment, the report speaks for itself. Each Senator can readily make his or her own judgment as to whether the conference report merits their support.

On Monday I will give a detailed speech outlining my concerns—assuming we are on the conference report on Monday, or whenever we are on it. For now, I will just highlight my major objections.

The ballistic missile defense legislation contains national defense language which goes well beyond the mandates both of the House-passed and of the Senate-passed bill. As Senators will recall on this subject, during the debate on the Senate bill, Senator THURMOND asked that Senator LEVIN and I join Senator WARNER and Senator COHEN to work on the missile defense language because there were obviously a great number of Senators who were very concerned about that language. A number of us had voted against that language in the committee. I was concerned about it. It was apparent that the bill on the Senate floor was going to have a hard time being brought to a conclusion without some consensus on ballistic missile defense.

We spent about 4 or 5 days working very carefully with every word of that language. We made very substantial changes from what had come out of the Senate committee. We worked closely with the White House to make sure that whatever product we presented as a compromise would be something that the President would be able to sign. We achieved that through a great deal of effort. In the conference to work this out, I again worked with Senator THURMOND and others, including Congressman CURT WELDON on the House side, and Members on our side, to try to achieve a compromise between the Senate and the House versions in a way that would not lose the approval of the administration. The administration had been reluctant to move as far as we did on the Senate bill but did agree with it before we passed that bill.

Mr. President, the bottom line of all this is that the missile defense language in this act goes well beyond the mandates both of the House-passed bill and the Senate-passed bill. I will go into more detail on Monday on this, or whenever I speak again. But this is not an issue to be taken lightly. This is not an issue that is a question of one word or two words or one sentence. This is enormously important.

We have achieved, under Republican Presidents primarily, an arms control agreement called START II. That arms control agreement, I believe, has come out of the Foreign Relations Committee now. Although I am not certain, I believe the vote was unanimous.

There is no doubt in my mind that all the defense experts that I know have concluded that this agreement is in the best national security interests of the United States and Russia. This START II Treaty has not been approved by the Duma in Russia and it is much more controversial there than it is here. The one thing we know is that if we convey the impression in this bill or in this conference report that the United States Senate is going to breach in any way or disregard or have an anticipatory breach of the ABM Treaty, that action will make it extremely unlikely that the Russian Duma will ratify the START II Treaty.

In the name of protecting our own country against missiles that may be aimed against this country in the future, it would be the supreme folly if we passed a piece of legislation that is going to unwind the efforts made by several Presidents to get to the point where we have dramatically reduced the number of Russian missiles that are aimed at the United States. Those reductions are going to occur in START II, if that treaty is ratified. If we do something in this legislation, whether we intend it or not, that inadvertently causes that treaty not to be ratified in the Russian Duma, then we would have taken probably the most gigantic step backward in arms control that we have taken in many years.

I emphasize, this START II Treaty basically requires dismantling literally thousands of missiles that for years have been aimed at the United States, including missiles that we called MIRV'd, multiple warhead missiles. We have feared for years that these missiles could cause tremendous problems in terms of the nuclear balance and could lead to an incentive for one side to strike first.

This is not trifling. This is not picking at words. Every word in this Missile Defense Act is of great importance and the White House, the Department of Defense, and the National Security Council and the State Department have every reason to examine every word. And, regarding things to which we do not completely attach the same significance, we must remember that they are the ones negotiating with the Russians. They are the ones in touch with the Russians on a day-by-day basis, and it is the executive branch that really has to work on this matter. So we have to have, I think, some deference to their judgment.

This conference struggled and tried. We tried to get it worked out. I think it was a good-faith effort by Senator LOTT, the Senator from Mississippi, Congressman WELDON, myself and others. But we did not achieve that goal, primarily because the House insisted we continue to work from the House language. Every time we worked out one problem with two or three words here, two or three words there, instead of working off the Senate language so we would have known what the underlying fundamental provisions were, it came back in some sort of a new conglomeration of House language. All of this is in multiple pages, anywhere from 10 to 20 pages. Therefore, we had to go over every word again.

This went on and on and on. Finally, I had suggested many times that we should work off the Senate language, which would have narrowed the scope of what we had to examine. But, finally the time came when I know Senator THURMOND had to make a decision, as did his counterpart, Congressman SPENCE, to complete this conference report. I understand their position. But this is enormously important. The Department of Defense and the White House disagree with this language. There are legitimate and sincere fears that this kind of language could end up being extremely counterproductive to our Nation's security. I share those apprehensions and I will urge all Senators to take a close look at this language.

My second problem with this bill is that it includes a specific legislative provision that would abolish the statutory requirement which came from the Congress of the United States—Senator COHEN and I led the way on this—for the Assistant Secretary of Defense for Special Operations in Low Intensity Conflict.

I believe that abolishing that statutory authority could undermine civilian oversight of special operations. Special operations forces are absolutely necessary. These are the specialists. These are the people—the SEALS

and the special forces—who go into very dangerous situations in almost every area. They are the best trained military individuals we have. They take the most risk. They are in many types of activities, including activities of a highly classified nature.

The Special Operation Force was begun by a legislative act which Senator COHEN and I co-authored. We decided at that time—and I think that the wisdom of that decision has been demonstrated very clearly—that, if we are going to have those kinds of special forces, we need civilian control not just in the general sense but in the sense of having an Assistant Secretary of Defense who is responsible for the Special Operation Forces. The issue is civilian control. We do not want to lose the civilian control of those forces.

But this legislation, in my view, mistakenly abolishes the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict. That does not mean, in theory, that there will not continue to be civilian control with the Secretary of Defense in charge. It means that the focus of civilian control over special operations on a daily and weekly basis is likely to be eliminated with the abolishment of the statutory requirement for that position. I think this is a mistake. It is a fundamental mistake.

There is legislation in the conference report in which I know many people will be interested on the floor of the Senate because, again, it addresses another position that was created by the Congress. I know the Senator from Arkansas and the Senator from Iowa were very involved in an effort that language in this conference report that would abolish: the statutory requirement for an independent Director of Operational Test and Evaluation. Many fear—and I share this fear—that abolishing the statutory requirement for this position could undermine objective, unbiased testing of major weapons systems. In other words, it would abolish the statutory requirement to get testing and evaluation away from the program managers who have been somewhat generous in seeing that it worked which many times resulted in a lack of objectivity either in reality or in perception.

Another problem I have with this conference report is that the Naval Petroleum Reserve sale provision establishes a 1-year timeframe for the sale even though the budget reconciliation bill no longer mandates sale within 1 year. Originally, this was mandated in the reconciliation bill in order to raise revenue. The Naval Petroleum Reserve is a complex operation, and compressing the timeframe for sale to within 1 year, I believe, is insufficient time. I fear that the taxpayers will not get the maximum value through knowledgeable competitive bidding. It could give one or two companies a real inside position on an enormous amount of value in terms of competitive bidding. So, that is also a provision about which I am concerned, Mr. President.

I also have problems with the directive for procurement of specific ships at specific shipyards that are not tied to any clear industrial base requirement. Sometimes it is justified, but when there is no industrial base requirement, it undermines the cost-saving potential of competition. This is micromanagement in a sense that costs the taxpayers money in almost every case.

Mr. President, I think this bill has a vast number of certifications and reports, and it gets into micromanagement. We have had some of that in past bills. I do not say that it is unique in this one. But it is of concern.

I am also concerned about Buy American provisions for ships and naval equipment which will result in significant cost increases for naval vessels and which could produce an unfavorable reaction against U.S. military sales abroad.

Mr. President, military equipment is one of the areas where we have a trade surplus. If we start putting numerous provisions in here saying you can only buy this product from America, the people who are going to end up paying the price are the workers for aerospace companies and for other companies that now have very strong export business. Believe me, when you put a Buy American provision in here, you pay a price for it. Other countries retaliate, and there we go in terms of restricting trade and increasing prices.

Mr. President, I also am concerned about something which I know the appropriators have felt keenly about in the past. I am not sure how they feel about it at this point in time. But Senator BYRD and I have talked about this on numerous occasions in relation to this bill. There are mandated spending floors in the shipbuilding language; that is, requirements that say you have to spend this much money—not an authorization saying you can spend this much money, but a floor saying you have to spend this much money.

Mr. President, this directly contravenes a longstanding agreement between the Armed Services Committee and the Appropriations Committees where I, at least as chairman, pledged not to place floors in the authorization bill. We put the ceiling on. We say you cannot spend any more in this area or that area. But, in this conference report, we become the floor. If we say you cannot spend any less, that in effect cuts out the appropriations process in that particular area.

The reason I object to this is because I think the appropriators must respect that we are the ceiling. If they do not pay attention to our ceiling, if they go over those ceilings, there is no point of an authorization process. In other words, if we say that we are not only the ceiling but we are also the floor, you cannot spend more but you also cannot spend less than this for a certain item, then it undermines the appropriations process.

The only way authorization and appropriations can work together is if we are the ceiling on weapons systems and on major considerations and if the appropriators have the ability to come and cut under our amount as they see in their discretion.

Finally, there is an earmark for noncompetitive ship maintenance contracts for a specific shipyard. I do not know that the amount of money involved is vast. I am not sure how much the amount of money is. I will find out by the time of my next speech on this subject. But I think the principle of having an earmark for a noncompetitive maintenance contract for a specific shipyard is a very bad practice that will cost the taxpayers money. It certainly does away with competition. And that can, as we have seen in the past, cause a containment problem. If one shipyard has it, another shipyard wants it. And if another shipyard has it, the other shipyard wants it. Pretty soon you have eliminated competition and you have gone to a very serious erosion of stewardship in terms of the taxpayers' money.

Finally, Mr. President, there is the creation of a special congressional panel on submarines. This probably will not concern other Senators. It concerns me because that is our job on the Armed Services Committee. But, this bill creates a congressional panel, and I think that needlessly duplicates the oversight role of the Armed Services Committee.

Mr. President, I ask unanimous consent that a statement I released when this conference report came out be printed in the RECORD, and I will make further remarks at a later point in time during this debate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DECEMBER 13, 1995.

SENATOR SAM NUNN (D–GA), RANKING MEMBER OF THE SENATE ARMED SERVICES COMMITTEE, TODAY RELEASED THE FOLLOWING STATEMENT

I congratulate Senator Thurmond upon the completion of the House-Senate conference on the National Defense Authorization Act for Fiscal Year 1996. Senator Thurmond has shown great patience and endurance through a long difficult negotiation with the House.

Out of respect for Senator Thurmond, particularly in his first year as chairman, I have signed the conference report. This will give the Senate the opportunity to consider the report. I want to make it clear, however, that I have serious reservations about the conference report, and I plan to vote against the report when it is considered by the Senate.

During the conference, the Administration raised a number of important objections to the bill:

The Administration identified constitutional problems with the restrictions on the President's foreign policy and Commander-in-Chief powers imposed by the provisions on contingency funding and UN Command and Control.

The Administration also raised serious objections to the ballistic missile defense legislation, which contains National Missile Defense language that goes well beyond the

mandates of both the House-passed and Senate-passed bills.

The Administration has expressed serious concerns about the impact of the proposed conference report language on Russian consideration of the START II Treaty, which is designed to produce a major reduction in Russian nuclear weapons.

The Administration is also concerned that the language could lead the Russians to abandon other arms control agreements if they conclude that it is U.S. policy to make unilateral action to abandon the ABM Treaty.

I have serious reservations about these provisions and numerous other provisions of the conference report, including:

Legislation that would abolish the statutory requirement for an Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, which could undermine civilian oversight of special operations.

Legislation that would abolish the statutory requirement for an independent Director of Operational Test and Evaluation, which could undermine unbiased testing of major weapons systems.

The Naval Petroleum Reserve Sale provision, which unwisely establishes a one-year time frame for the sale, even though the budget reconciliation bill no longer mandates sale within a year. The one year period is insufficient to ensure that the taxpayers get the maximum value through knowledgeable competitive bidding.

Directed procurement of specific ships at specific shipyards without a clear industrial base requirement, which undermines the cost-saving potential of competition.

Buy American provisions for ships and naval equipment which will result in enormous cost increases for naval vessels and which could produce an unfavorable reaction against U.S. military sales abroad—one of the strongest elements of our export economy.

Mandated spending ''floors'' in the shipbuilding language—requirements to spend specified amounts for particular programs—which directly contravene the longstanding agreement between the Armed Services and Appropriations Committees to not place ''floors'' in the Authorization bill.

An earmarked non-competitive ship maintenance contract for a specific shipyard.

Creation of a special congressional panel on submarines, which needlessly duplicates the oversight role of the Armed Services Committee.

Failure to include Senate-passed provisions which should have been non-controversial, such as U.S.-Israeli Strategic Cooperation, the Defense Business Management University, and a North Dakota land conveyance that meets all of the Senate's objective criteria.

Weakening the Senate-passed formula for equity in cost-of-living adjustments for military retirees.

Designating every single line of National Guard and Reserve procurement funds, rather than providing generic categories that can be used by the Department of Defense to meet priority Guard and Reserve requirements.

Earmarking Department of Energy defense funds for numerous unrequested projects and programs at designated sites.

Restrictions on access of servicewomen and dependents overseas to privately-funded abortions, and the imposition of special discharge procedures for HIV-positive servicemembers—a small fraction of our military population—which needlessly inject domestic political issues into military manpower policies.

I recognize that the Senate could not prevail on all issues. There are many other compromises within the conference report which I do not particularly support but which I understand in the context of the give and take of conference. The issues I have raised in this statement, however, represent fundamental flaws in the conference agreement.

If the conference report is not approved by the Senate, or if the legislation is vetoed by the President, we will have an opportunity to correct these flaws. The conference report contains important legislative authorities, such as:

A variety of military pay and allowance provisions.

Approval of Secretary Perry's family and troop housing initiative.

Detailed acquisition reform legislation that complements last year's Federal Acquisition Streamlining Act.

Senator Thurmond and the Committee worked long and hard to develop these important provisions, and I pledge to work towards their enactment in a subsequent bill if the legislation in this conference report is not enacted into law.

Mr. NUNN. Mr. President, I repeat for all Senators that I think we ought to have a good debate on this bill. I think there are things that are serious here that ought to be discussed. Voting against this bill is certainly not something that I relish.

There is military pay in here for our troops. I hope we can find some other way because I do not want to go through the process of replacing a number of provisions in this bill. But, on the matter of military pay, I will do everything I can, if this bill does not become law, to see that we find another vehicle. I think it is enormously important that we be able to resolve that problem before we go home.

Mr. President, I thank the Chair.

Mr. BUMPERS. Mr. President, I wonder if the Senator will yield for a couple of questions. I do not want to take the time of the Senator from South Carolina, but the committee report on the B–2 bomber is mildly confusing.

I just wonder if the distinguished ranking member could enlighten us as to what discretion the Pentagon has on how it spends the additional $493 million that is authorized for B–2's?

Mr. NUNN. I say to my friend from Arkansas that is a good question. I think that ought to be directed to the majority. I was not in on that negotiation. I have read that language and I would be hesitant to try to interpret it. I think Senator COHEN has been involved in it, and also Senator LOTT. I am sure Senator THURMOND is familiar with it. So, I think you would be better served to direct the questions to them.

Mr. BUMPERS. For the benefit of the majority, who apparently crafted this report, I would like to say there is something here that is ''passing strange,'' as we say in Arkansas. The report says, ''Therefore, the Senate conferees believe that the increased authorization of $493 million provided for the B–2 bomber program may be expended only for procurement of B–2 components, upgrades, and modifications that are of value for the existing fleet of B–2 bombers.''

At another place, it says, ''The conferees agree to authorize the budget request for research and development and to increase the authorization for procurement.''

So, I do not know whether the Pentagon has the authority to start buying 20 additional bombers or not. The thing that is strange to me about this is it says, ''Therefore, the Senate conferees believe.'' It does not say the House conferees believe. I was curious as to how this could be written with the Senate conferees believing one thing and the House conferees believing something else. Both sides usually have to concur, do they not?

On another matter. Let me say to the distinguished ranking member also, he touched on the plan to sell the Naval Petroleum Reserve at Elk Hills, which really hit a nerve with me. I think it is the height of folly financially and economically to be selling off such assets and take credit for it under the Budget Reconciliation Act. Until this year it was specifically prohibited to count the sale of assets in budget deficit reduction. In other words, CBO was not to score asset sales.

I thought that was a good rule. I have tried to reinstate it a couple of times and came within a couple of votes of getting it done. I think it was Mr. Bowsher who used to be at CBO who said that selling assets to reduce the deficit reminded him of the lawyer that came home from work one day and told his wife he had a great day, and she said, ''What happened?'' He said, ''I sold my desk.'' That is what we do when we sell off assets.

One other question, because the Senator from Georgia was very active in crafting the so-called ABM language when that bill was in this Chamber. My staff has indicated to me that this bill would torpedo the ABM Treaty. Could the Senator from Georgia comment on that?

Mr. NUNN. I say to my friend from Arkansas, I would not go quite that far. I would say that is the apprehension that the interpretation of this language could lead some, perhaps all in the Russian Duma that will be considering this, to believe that this is in the nature of what I would call, for lack of a better term going back to law schools days, an anticipatory breach.

I do not think anyone could say that this is a direct breach because nothing has happened. Passing a law does not make it happen. But there is an old story from law school I recall well in a course on contracts in which the professor was trying to explain what anticipatory breach meant, and he said:

Let's assume that a man goes from Atlanta, Georgia, to New York and negotiates for 2 weeks to sell the Hurt Building. This was a big building in downtown Atlanta. Now it is not one of the big ones, but it was well known back when I was in law school.

He finally concludes the contract. They sign the deal, and the buyer agrees to buy it for a certain amount and the seller agrees to sell it. And so the buyer says, ''Let's go out to dinner and celebrate. We have been negotiating long and hard.'' But the seller says, ''No, I can't do it. I've got to rush back to

Atlanta.'' The buyer then said, ''Why? You have been here 2 weeks. Why don't you relax and celebrate. You have just sold a big building. I don't see why you have to go back to Atlanta.'' To which the seller replied ''Because I have to go back down there and buy that building.''

Well, he just sold something he did not own. Now, the contract did not call for performance for another 30 days. So it was not direct breach, but it is in the legal terms an anticipatory breach. And that is what the fear is here, that this could be taken as anticipatory breach.

Mr. BUMPERS. I think the Senator describes the situation perfectly.

I might say, Mr. President, this is not particularly apropos of the story he just told, but it is one that might introduce a little levity here on a Friday afternoon.

Chet Lock, who used to be Lum, in Luck and Abner, became a very good friend of mine when I ran for Governor the first time, and he told me a great story about a fellow who owned a horse and another fellow who came by one afternoon. The visitor said, ''What would you all take for that horse?'' He owner said, ''I'd take a hundred dollars.'' And the visitor said, ''I think I'll buy him.'' So he paid a hundred dollars and took his horse home. And the original owner could not sleep that night. He got to thinking: If that horse is worth a hundred dollars to him, certainly it would be worth more than that to me.

So he called the guy the next morning and said, ''Listen, that horse is pretty dear to me. I raised him from a foal and I really hate to part with him. I will give you $200 to buy him back.'' The other said, ''Well, come and get him.'' So he went over and gave the guy $200. And the other fellow got to thinking that night: He knows something I don't know or he wouldn't have given me a hundred dollars' profit on that horse. The next day he called him back and said, ''I will give you $400 for to buy that horse back.'' This kept going on until they got the horse up to about $3,000, and one morning one of them called the other and said, ''I've called to make you an offer on the horse. Can I come and get him? I will pay you $200 more than you paid me.'' The other man said, ''I can't do that. I sold the horse.'' He said, ''You sold the horse?'' The other said, ''Yes, sold him to somebody else.'' And the first man said, ''Why would you do that? We were both making a good living off of him.''

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, before the distinguished Senator from Arkansas leaves the floor, I hope to make some reply about this Elk Hills situation. Is the Senator aware that the sale of this was proposed by the President and one of his Cabinet officers?

Mr. BUMPERS. I am sorry; will the Senator repeat the question?

Mr. WARNER. Is the Senator from Arkansas aware that the proposed sale of Elk Hills was initiated by President Clinton and one of his Cabinet officers, Secretary O'Leary.

Mr. BUMPERS. I was aware of that, and I said earlier in the Chamber the President has a right to be wrong just like everybody else.

Mr. WARNER. Then I think that concludes my rebuttal to the Senator.

Mr. NUNN. Will the Senator yield?

Mr. WARNER. I ask unanimous consent that I can place into the RECORD a letter from the Secretary of Energy dated May 4, 1995.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, May 4, 1995.

Hon. ALBERT GORE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill to authorize privatization of the Naval Petroleum and Oil Shale Reserves. This legislation, which is proposed in the President's FY 1996 Budget, is part of the Administration's ongoing effort to reinvent the Federal Government.

The Naval Petroleum and Oil Shale Reserves, consisting of Naval Petroleum Reserves Numbered 1, 2, and 3 and Oil Shale Reserves Numbered 1, 2, and 3, were designated by Executive Order near the start of this century to provide an emergency source of fuel for the Navy's fleet as it converted from coal to oil. In response to the Arab oil embargo of 1973–74, Congress passed the Naval Petroleum Reserves Production Act of 1976, which significantly altered the mission of the Naval Petroleum Reserves, requiring that these Reserves be produced at their ''maximum efficient rate'' in order to ensure a reliable fuel supply for national security.

Since 1976, oil and gas from the Naval Petroleum and Oil Shale Reserves have been sold on the commercial market, to the Strategic Petroleum Reserve, or to the Department of Defense. The program has been highly successful, returning approximately $16 billion to the U.S. Treasury, against total costs of just over $3.1 billion. The program continues to be a revenue generator, still returning in excess of $200 million in net revenues to the U.S. Treasury annually.

The enclosed proposal has several elements. First, the proposal would authorize the Department to privatize the Government's interest in the Reserves (excluding Oil Shale Reserve Numbered 2) by the end of FY 1997. The Administration believes sale of the Reserves will generate proceeds of $2.6 billion, which is the current estimate of the discounted value of the revenues to the Federal Government from the properties. A percentage of proceeds from privatization would be paid to the State of California to benefit the Teachers' Retirement Fund. This payment would resolve a long-standing land dispute with the State of California. Second, the proposal would modernize the statute governing the operation of the Naval Petroleum Reserves to ensure that the benefits to taxpayers are maximized pending privatization.

Finally, if privatization of the Reserves is disapproved by the President or Congress, the proposal would transfer the management of the Reserves to a for-profit, wholly owned Government corporation, authorized to maximize net revenues through commercial management and operating decisions. In keeping with the Administration's emphasis on protecting the environment, we also recommend that appropriate portions of Oil Shale Reserve Numbered 2 be studied for possible inclusion in the national wild and scenic rivers system.

The National Defense Authorization Act for Fiscal Year 1994 directed the Secretary to ''study management alternatives for the Reserves, including the concept of corporatization.'' The proposed legislation would respond to that directive and allow the Administration to maximize the value of the Naval Petroleum and Oil Shale Reserves.

The Balanced Budget and Emergency Deficit Control Act of 1985 (the ''Balanced Budget Act'') requires that all revenue and direct spending legislation meet a pay-as-you-go requirement through FY 1998. That is, such a bill should not result in an increase in the deficit, and if it does, it would trigger a sequester if not fully offset. The Naval Petroleum Reserves Privatization Act will result in proceeds of approximately $2.6 billion in FY 1997. A provision of the Balanced Budget Act generally prohibits counting the proceeds of asset sales as offsets to spending. However, the enclosed legislation includes a provision (§202) to allow the proceeds to be counted as offsets to spending. This provision is patterned after the waivers of emergency spending provided by the Balanced Budget Act and is being proposed for several asset sales being recommended by the Administration for FY 1996.

The Office of Management and Budget has advised that enactment of this proposal would be in accord with the President's program.

Sincerely,

HAZEL R. O'LEARY.

Enclosure.

Mr. NUNN. If I could make a brief observation.

Mr. WARNER. Whatever time is necessary.

Mr. NUNN. I would say two things on that point. One is in the original reconciliation bill there was a mandate for sale, so when we brought this through the committee we debated it, we put safeguards in it, and there were many of us who were concerned that the timeframe was too compressed. When the President originally proposed this, he proposed it over a 2-year period.

The difficulty, I say to my friend from Virginia, is not so much the sale itself. But if there is going to be a sale of this very large asset, the feeling has been that it ought to be over a period of time sufficient so that other companies that may bid, so they can go in and study it, and so forth.

The provision in this bill is 1 year. So it is a move from the administration request of 2 years to 1 year, and that greatly compresses the schedule and puts on a whole lot more pressure. That was not put in by the Senate, but the House. I understand the House conferees insisted on it, and I think it is a mistake.

There is a safeguard here that the Secretary of Energy can negate the sale, but there will be great pressure for her not to do so because, if she negates the sale saying she cannot do it in 12 months, then there would be no authority to make the sale. So the pressure is going to be there for an early, quick sale of this asset, particularly if this bill becomes law, and particularly with the pressure on the budget. That is what the problem is.

Mr. WARNER. Mr. President, if I might reply to my distinguished colleague, I am advised that senior DOE officials have stated that the 1 year period as required by the Senate bill was reasonable in their judgment. And I would like at this point to put a second letter into the RECORD from the Deputy Secretary of Energy, dated November 13, 1995. I read one paragraph:

In general, with the exception of Senate provisions related in the treatment of the State of California ''school lands'' claim, the Administration prefers the NPOSRs privatization provisions included in the Senate bill. In addition to congressional sale notifications and procedural safeguards included in both the House and Senate bills, the Senate bill provides enhanced safeguards guards against ''fire sales'' of the reserves, by authorizing the Secretary of Energy to notify Congress if it is not proceeding in the best interests of the United States and by authorizing the Secretary of Energy to notify Congress of any slippage of the sales schedule.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPUTY SECRETARY OF ENERGY,
Washington, DC, November 13, 1995.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: As the Conferees on the FY 1996 Defense Authorization bill meet to resolve differences. I would like to emphasize the Administration's support for privatization of the Naval Petroleum and Oil Shale Reserves (NPOSRs) including Naval Petroleum Reserve Numbered 1 (Elk Hills). The Elk Hills Reserve is by far the largest and most valuable of the NPOSRs. This commercial oil and gas operation is most appropriately and efficiently owned and operated by the private sector.

In general, with the exception of Senate provisions related in the treatment of the State of California ''school lands'' claim, the Administration prefers the NPOSRs privatization provisions included in the Senate bill. In addition to congressional sale notifications and procedural safeguards included in both the House and Senate bills, the Senate bill provides enhanced safeguards against ''fire sales'' of the reserves, by authorizing the Secretary of Energy to notify Congress if any proposed sale is not in the best interest of the United States, by requiring congressional approval of any sale for which there is only one offer, and by authorizing the Secretary of Energy to notify Congress of any slippage of the sale schedule.

Regarding the treatment of the State of California ''school lands'' claim, while the Administration recognizes that California has not been successful in its legal claim, the Administration believes that it is appropriate to provide a portion of the proceeds from the sale of Naval Petroleum Reserve Numbered 1 (Elk Hills) to the State of California for payment into the California Teachers' Retirement Fund. This position, as was the position reflected in the Administration's bill, is based on equitable considerations.

I reiterate the Administration's support for inclusion of privatization of the Naval Petroleum and Oil Shale Reserves in the Conference report.

Sincerely,

CHARLES B. CURTIS.

Mr. NUNN. Mr. President, I say to my friend from Virginia, as he recalls in the committee, there were a number of us who voiced objections, and the administration at that stage was in favor of the 1-year provision. I think the Senator is right. They, too, were seeking money. I did not agree with the administration on that.

I am not here speaking for the administration on this. I am saying I think it is shortsighted, whether it is the administration or whether it is Congress, to compress the timeframe for the sale of this to a 1-year period because I think it puts enormous pressure on it and it gives undue leverage to the oil companies that are most familiar with it.

It takes quite a while for an oil company to go out and find out enough about Elk Hills to make a reasonable bid. I thought it was a mistake to put it in the form of a mandate. If it is going to be sold, it should not be on the pretension it helps balance the budget. It does not matter whether it is sold in 1996 or 1997, it will supply the same amount of money.

It will be the height of folly if we try to sell it in 1996 and get a lot less money for the taxpayers, and not give 2 or 3 years to the oil companies to make the kind of assessment needed for a confident and vigorous competitive process.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. If I may reply, the provision of the bill in the conference report provides a number of safeguards to ensure the taxpayers' interests will be preserved. First, the provision establishes a minimum price based on an average of five independent experts' assessments of the value of the field; and, second, the provision provides the Secretary of Energy the authority to suspend the sale if she and the Director of the Office of Management and Budget determine that the sale is proceeding in a manner that is inconsistent with the achievement of the sale price that reflects the full value of the reserve or a course of action other than immediate sale of reserve is in the best interest of the United States.

And, Mr. President, I really feel those safeguards adequately protect the taxpayers' interests.

Mr. NUNN. If I could just respond. I say to my friend from Virginia, let me tell him a little bit more about why this is a problem. The Congressional Budget Office issued a report—I am not trying to quote their exact words here, but this is a memo based on that report that the estimated net proceeds from that sale anticipated were $1.5 billion and the estimated revenue foregone by the Government over 7 years was $2.5 billion. Overall, this means that this sale that was supposed to reduce the deficit was scored by CBO as increasing the deficit over 7 years by $1 billion.

That is the kind of thing you get into in an asset sale. And that is why those of us involved in this need to be very conscious of protecting the taxpayers. Sure, you can say it drives down the deficit by $1.5 billion over the next 2 years if you sold it, but if it loses another $2.5 billion in revenue, it does not drive down the deficit; it increases it. So that is the problem. And that is why you need to give more time here, notwithstanding what the administration's position was at an earlier date. I think the Senator is correct on that.

Mr. WARNER. Mr. President, I would like to point out that the CBO numbers did not include approximately $1 billion of savings in operating costs that will result from the privatization of Elk Hills. In addition, these numbers did not include the increased tax revenues that will result from the sale. I think that my good friend from Georgia will find that these two figures, taken together with the estimated sale price of $1.5 to $2.5 billion, will result in much more significant revenues for the Federal Treasury than would continued Government ownership of Elk Hills.

Mr. THURMOND. Mr. President, Senator NUNN has mentioned about the entire conference report being placed in the CONGRESSIONAL RECORD. That is correct. It was placed in the CONGRESSIONAL RECORD on Wednesday, December 13, 1995.

I just wonder if we could not debate this bill tomorrow and Monday and have a final vote on Tuesday. Is there any objection to that? I just wanted to know.

Mr. NUNN. Mr. President, I say to my friend from South Carolina, this Senator would agree with that. I think that is a very reasonable proposal, and I would support it. I urge our colleagues to support it.

Mr. THURMOND. Limit it to 6 hours.

Mr. NUNN. That would be very reasonable to my point of view. We have the Senator from Vermont with strenuous objection to provisions here. He has to be heard. I am not in a position to agree to that on behalf of the Democratic side now, but from a personal point of view, I will say I would certainly work with the Senator in trying to get that kind of an agreement. I think it is a very reasonable proposal, and I would support it.

Mr. THURMOND. If we can limit debate to 6 hours equally divided, I think that will give ample time to debate it tomorrow and Monday, and then have a final vote on Tuesday.

Mr. NUNN. Actually we could perhaps have a longer period of debate. If we are going to have tomorrow and Monday, we might want to make it 8 hours. That would give people a lot of time. But with all day Monday for debate, I am sure that we could accommodate whatever Senators want to talk.

Mr. THURMOND. Would 8 hours suit the Senator all right?

Mr. NUNN. I think that is completely adequate. We may not need to limit the time, though, if we just have a time certain Tuesday for the vote. That would be just up to——

Mr. THURMOND. What time would the distinguished Senator suggest?

Mr. NUNN. I would have to check with the Democratic leader, but I would be glad to do that and get back to the Senator from South Carolina.

Mr. THURMOND. I just wonder if we could not get some agreement as to when the final vote will come.

Mr. NUNN. I will be glad to work toward that end. It is a good suggestion.

Mr. THURMOND. If the distinguished Senator will get back in touch with us.

Mr. NUNN. Yes.

The PRESIDING OFFICER. Is there further debate on the conference report?

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, during the course of this debate on the conference report, I will address a number of sections. I will see that a reply is made to the distinguished ranking member, the Senator from Georgia, with respect to the concerns that he has expressed here today regarding the section of the bill that relates to missiles; that is, both the long range and short range. I am prepared to do it, but after the expressions of Senators LOTT and COHEN and Senator SMITH who worked on that in some detail.

Likewise, the questions relating to the B–2 program, we will see that the Senator from Georgia has an opportunity to give the expressions on this side. I likewise am prepared to do that, but I want to make sure those Senators who—for example, the subcommittee chairman—who dealt with that be given the first opportunity. However, Mr. President, I would like to address the section of the bill relating to submarine construction and, in particular, new construction.

The United States today—let there be no mistake about this, Mr. President—is in competition with Russia as it regards underseas strategic systems. The reports that the Russian Navy are tied up at the docks, rusting away, both in the Black Sea and in the North Sea and other areas relate to the surface fleet.

Indeed, the Russians have decided not to put the short assets that they have, supposedly, into surface naval operations of any considerable extent. But, Mr. President, they are pursuing, relentlessly, a program of research, development, and construction of subsurface systems, primarily submarines. It was reported in the media here of recent days that several of these submarines matched in many respects the quietness of the U.S. fleet. I cannot go into further detail, but a number of Senators have sought and received the briefings from the Intelligence Committee on these important points.

But it is a well-known fact, publicly, that for some reason which is not entirely clear, Russia is putting a disproportionate amount of their funds for their overall national defense in subsurface strategic systems. And this places on the United States a very strong affirmative burden to go forward with our submarine programs and, in particular, new construction programs.

I mentioned quietness. Submarines operate in various waters of the world which have various temperatures, have various ambient noises. And the noise level that emanates from a submarine is the Achilles heel because in waters of certain temperatures, ambient noises are different than in others. And, of course, it varies with depth and water temperature and currents and all sorts of conditions.

But we have got to make progress in making our submarines quiet. And the new generations of submarines now on the drawing boards are key to our Nation's having an adequate deterrence subsurface, not only against Russia, but there are other nations of the world—and I will amplify in my statement other nations which are building diesel submarines.

A diesel submarine can operate very quietly. It may not have, as we say, the sea legs to operate for long periods of time because of fuel requirements and battery requirements and other limitations, but it can operate very quietly.

A diesel submarine poses a threat to both nuclear submarines and surface ships as well as through its ability to lay mines. Take the Strait of Hormuz, a quiet diesel submarine could slip into those straits, place mines and, once again, the world would be faced with a cutoff of one of the largest sources of petroleum which, in turn, is converted into energy.

Therefore, submarine construction, research and development is absolutely essential to the security interests of our Nation.

Some years ago, the decision was made to embark on a new class of submarines. The *Seawolf* was the interim class. The Congress this year will be completing, by and large, the authorization and funding requirements for the third and final submarine in the *Seawolf* class.

It is now time to move on to another class. The plans have been made, and the initial work has begun. I do not wish to be political, but it is a statement of fact that the President of the United States—about 2 years ago—indicated that he desired that all new submarine construction of this new class of submarine be performed at the Groton Shipyard operated by a very fine company, General Dynamics.

That message was received in Virginia and across the Nation with great concern. Newport News Shipbuilding and Dry Dock in Virginia has been building submarines for the U.S. Navy for many, many years. To have a decision suddenly announced which would terminate construction of new submarines at Newport News, in my judgment, was not predicated on sound national security interests, nor sound financial interests. This decision was contrary to the best interests of this country.

Needless to say, this decision was potentially devastating in terms of the economy of my State, Virginia, and, indeed, a range of contractors in many, many other States which worked in partnership with Newport News to build new construction submarines.

This Senator, along with other Members of the Virginia congressional delegation, and indeed other Senators, embarked on a long mission to reverse that decision. I am pleased that, with this conference report, that decision has now been reversed. The President has agreed that it is in the best interest of the Nation to have competition once again between the two leading yards in America on new nuclear attack submarine construction.

It enables the designers and engineers that are affiliated with both yards in research and development, as well as construction, to produce nothing but the best nuclear attack submarines for the United States of America. It helps the American taxpayer in terms of competition. Competition drives down cost, and the cost of the program envisioned for this follow-on attack submarine is in the billions of dollars, spread over many years, extending well beyond the year 2000.

I am pleased that the President has reversed his decision, backed up by the Secretary of Defense and now implemented by the Congress in this report in very specific language, which I will address momentarily.

I want to thank many who have worked in seeing that this decision was reversed. The Virginia congressional delegation, in particular, my colleague, Congressman BATEMAN. I wish to thank my junior colleague from Virginia, Senator ROBB, who also worked on this effort. It was a concerted effort, and we are very pleased with what has been worked out in this conference report. It is in the interest, the security interests, of our country. It is in the fiscal interests of our country that this very substantial investment by the American taxpayers be the product of competition.

Let me provide the Senate with a summary of this very important program.

Submarine legislation in the current fiscal year 1996 defense authorization bill includes in law the essential elements of the Senate-passed bill with *Seawolf* funded at the appropriated level of $700 million; one submarine in fiscal year 1998, which will go to the Electric Boat Co. in Groton, CT; one submarine in fiscal year 1999 to Newport News Shipbuilding and Dry Dock, and if the decision is made to begin to produce a new class attack submarine with the third boat, then the third and all future boats of this class will be competed based solely on price.

I want to underline that, competed based on price. That formulation allows these two real national assets, these two new construction yards, to be on an equal footing.

If the decision is made to build additional R&D submarines—and the first two are characterized as R&D submarines—then price competition will

begin with the fifth boat. That is a decision that will have to be made subsequently by the Secretary of Defense and joined in by the Congress.

The key differences are that a new class of submarine previously designated as a new attack submarine will not begin until the third boat, the fifth boat, or later, if the Secretary of the Navy decides that additional R&D submarines should be built before beginning serial production of a new class.

The bill also requires the Secretary of Defense to submit a plan leading to production of a more capable, less expensive submarine than the submarine previously designated as the new attack submarine.

Legislation on attack submarines includes the following provisions:

(1) Authorizes $700 million for the construction of the third *Seawolf* attack submarine. This, essentially, incrementally funds the ship with $700 million of the $1.5 million that is yet to be required.

(2) Authorizes $704.5 million for long-lead and advance construction and procurement for the fiscal year 1998 submarine to be built at Electric Boat.

(3) Authorizes $100 million for long-lead and advance construction and procurement for fiscal year 1999 submarine to be built at Newport News. Also authorizes $10 million for participation by Newport News in design of the submarine previously designated as the new attack submarine.

Those sums and those provisions were carefully worked out with the Secretary of Defense, together with the Secretary of the Navy and the Chief of Naval Operations. May I commend particularly Admiral Boorda for the help and assistance that he gave this Senator and other Members of the Senate in working out this formula.

I also wish to thank the Secretary of Defense, Secretary Perry. I remember so well when the pivotal decision was made by him when he came to my office in June and said that the President agreed that we would go back to the time-tested method of building new submarines and let two yards compete. That was the turning point and, thereafter, the Secretary of the Navy and the Chief of Naval Operations, working with members of the Armed Services Committee, devised this plan. I also would like to say how much I appreciate the cooperation of the Senator from Connecticut, whose interest, of course, rests with the Electric Boat, his constituent. Senator LIEBERMAN has worked out with me as we worked out the provisions in the Senate bill.

Those provisions are essentially the blueprint that remained intact as this went on to the House and was worked on in conference.

Last, this bill restricts spending to no more than $200 million on these programs until the Secretary of the Navy certifies that procurement of nuclear attack submarines to be constructed after the first two boats will be competed on price, unless the decision is made to construct additional submarines, in which case all submarines after the fourth boat will be competed based on price whether they are R&D submarines or submarines of a new class.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, earlier in the debate, a question came up about the Naval petroleum reserves, and I would like to make a statement on that.

The conference agreement on the sale of the naval petroleum reserves contains a number of safeguards to ensure that the Federal Government receives full value. Among these safeguards are the following two clauses which clearly spell out the conferees intent that the reserves can be sold only if this will result in the highest return to the American taxpayer.

The first is the mandated minimum acceptable price. This price will be established by five independent experts who shall consider: all equipment and facilities to be included in the sale; the estimated quantity of petroleum and natural gas in the reserve; and the net present value of the anticipated revenue stream that the Treasury would receive from the reserve if the reserve were not sold. The Secretary may not set the minimum acceptable price below the higher of the average of the five assessments; and the average of three assessments after excluding the high and low assessments.

This requirement ensures that the minimum acceptable price has to be at least as high as what the Government would receive for these reserves if any other course of action is taken including the establishment of a Government corporation, the leasing of the reserves, or the continuation of the current operation of the field.

The second key clause is the authority to suspend the sale. This clause gives the Secretary the authority to suspend the sale of Naval Petroleum Reserve No. 1 if the Secretary and the Director of OMB jointly determine that the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects the full value of the reserve; or a course of action other than the immediate sale of the reserve is in the best interests of the United States.

Mr. President, these two clauses essentially mean that Naval Petroleum Reserve No. 1 cannot be sold unless the Government gets a price for the field that exceeds the value that would be achieved by any other option, and that the entire sale proceed in a manner that is in the best interests of the United States.

The sale will provide an estimated $1.5 to $2.5 billion to the Federal Treasury. This does not include the several hundred million dollars that the Government will receive in increased tax revenues. What's more, the Government will save about $1 billion in operating costs over the next 7 years.

Mr. President, the sale of these reserves was initiated by this administration, and, in fact, the administration has come out in support of this provision. We have worked in a very bipartisan manner to draft this provision so as to incorporate the maximum safeguards possible. I hope that we can continue this bipartisanship and vote to approve the conference agreement which includes this provision.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANTORUM). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

UNANIMOUS-CONSENT REQUEST

Mr. SPECTER. Mr. President, what I had sought recognition for relates to the appropriations bill on Labor, Health, Human Services, and Education. The purpose of my seeking the floor is to see if we might move that bill along.

In light of the fact we are not going to have a continuing resolution, at least as it appears at the moment, I thought it important to put on the record that there are a very substantial number of jobs which are involved here, and layoffs, if we do not have a continuing resolution; that the Social Security Administration has some 60,000 jobs, the Department of Health and Human Services has some 100,000 jobs, the Department of Labor has 18,000 jobs, the Department of Education has 5,000 jobs. We have been trying to work out a unanimous consent agreement to bring this bill to the floor.

I understand that the Members of the other side of the aisle have been unwilling to give consent because of the provisions on the bill about striker replacement. There have been a number of other items. But, for the record I wanted to see if we might possibly move the bill ahead.

I full well understand the likelihood of objection. But, on behalf of Senator DOLE, I do ask unanimous consent that the Senate turn to consideration of Calendar No. 189, H.R. 2127, the Labor-HHS-Education appropriations bill.

Mr. PRYOR. Mr. President, at this moment I would have to object to that unanimous-consent request. I did not know the Senator was seeking recognition for that reason.

The PRESIDING OFFICER. Objection is heard.

Mr. SPECTER. I fully appreciate the objection. And I thank my colleague. I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. PRYOR. Mr. President, I see my colleague from Florida is seeking recognition. The Senator from Arkansas has just about a 3-minute statement, if he will permit me to go forward. I will just take a few moments of the Senate's time this evening.

I rise tonight to voice my very, very strong opposition to the Department of Defense authorization conference report that is now before the U.S. Senate.

This conference report takes the unthinkable step of actually repealing a bipartisan piece of legislation which was written in 1983, by Senators ROTH, KASSEBAUM, GRASSLEY, myself and many others in this body. We set up a process for an office to test new weapons, in an independent, unbiased, untainted, and a very, very, realistic environment.

If enacted, this conference report that we are now discussing would be a gigantic step backwards in the war against $600 hammers, thousand-dollar toilet seats, guns that do not shoot, bombs that do not explode, and planes that do not fly.

I truly believe, Mr. President, that if this conference report is enacted in its present form, the lives of our men and women who serve this country in the Armed Forces will be put needlessly at risk.

I hope my colleagues in the Senate are aware that this conference report contains a provision that would virtually eliminate the Pentagon's Office of the Director of Operational Testing and Evaluation by absolutely revoking its charter. Mr. President, no one has yet explained any reason whatsoever to take away the office and the department in that area of our Department of Defense that tests weapons before we go into mass production. It simply does not make sense.

Over the past 12 years, this testing office has been an unparalleled success. It has saved time, money, and, most importantly, it has saved the lives of our fighting forces by making weapons better and by keeping flawed systems out of the hands of our soldiers.

Support for the testing office has always been bipartisan, Mr. President. Former Defense Secretary Dick Cheney said that an independent weapons testing office ''saved more lives'' during Operation Desert Storm than perhaps any other single initiative. The current Secretary of Defense, William Perry, recently described this office as ''the conscience of the acquisition process.''

Mr. President, I was shocked to learn that this conference report revokes the charter for independent testing of our weapons. I could not believe it.

Because of this provision, I cannot and I will not vote for this conference report. I urge my colleagues to defeat this legislation.

Mr. President, I want to make it very clear that I do not fault my very good friend from South Carolina, the distinguished chairman of the Senate Armed Services Committee, Senator THURMOND, for this language that undermines independent testing. From all reports that I have, he tried to keep the office of independent testing alive. I have always known that this flawed initiative originated not in the Senate but in the House of Representatives. In fact, the Senator from South Carolina, the distinguished chairman of the Armed Services Committee, supported the sense-of-the-Senate resolution approved by this Chamber as recently as August that voiced the Senate's strong opposition to revoking the charter for independent weapons testing.

Unfortunately, Mr. President, the Senate's position did not prevail in the conference committee. The wishes of the U.S. Senate to uphold and to support and to continue this office of independent testing were not granted.

I want to thank the chairman at this time for doing what he could in conference to stop, or at least to delay, the elimination of the office of independent testing. I only wish that he had been more successful in keeping the conference committee from endorsing an absolutely terrible idea.

As we begin sending American troops into Bosnia, it is wrong, it is dangerously shortsighted, for this Congress to propose eliminating that very office that has been so helpful, so successful in making sure that our weapons work properly in combat.

Mr. President, I will be voting against this conference report.

I urge my colleagues to do the same.

Mr. President, I yield the floor.

Mr. THURMOND. Mr. President, I would like to point out an inadvertent omission in the conference agreement statement of managers with respect to Air Force Program Element 602601F, Advanced Weapons. The conference agreement increased the authorization of the requested amount of $124.4 million by $11.0 million. Of that increase, $5.0 million was intended by the conferees to authorize the continuation of the High Frequency Active Auroral Research Program. As pointed out in the statement of managers accompanying the conference report, the conferees intend the remaining $6 million of the increase to authorize the rocket propulsion technology program described in the House Report 104–131.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

BUDGET NEGOTIATIONS

Mr. DOLE. Mr. President, if I could just take a minute here, let me indicate that I still do not know for certain what the program will be today, tomorrow, and Sunday. I had hoped we would have some serious budget negotiations.

I have just listened to the President of the United States. I must say I do not know who gives him advice, but I do not think he is telling the American people the truth. If he thinks he is engaged in serious budget discussions, then he ought to take a look at the budget.

I must say that this administration is for a one-way street. It is all right to cooperate with them, but they are not going to cooperate with anyone else. And I have made an effort to do that as recently as 48 hours ago on this floor.

I am a little frustrated that we have been 26 days now waiting for the administration to give us a legitimate offer to balance the budget in 7 years, using Congressional Budget Office estimates. It was my understanding, in talking with the President yesterday, that there would be a serious offer given to Republicans today. Anyone with any knowledge of the budget process could look at the offer made and tell you very quickly that it was not a serious offer. But here the President of the United States is getting on television saying that Republicans are recommending devastating cuts in Medicare, Medicaid, the environment and student loans after we put money back into those programs in our legitimate offer earlier today.

So I am almost convinced that there is no real desire on the part of this administration to do anything except to play politics with the budget—and play politics with senior citizens and play politics with every other interest group in America. We have made an effort time after time to meet the President halfway.

I believe the American people want a balanced budget in 7 years. They have indicated that. The President agreed to it, but we cannot do it with the same old smoke and mirrors.

In fact, $54 billion of the savings today was ''baseline adjustments,'' which is one example, and there are other examples in the President's bill. Tax cuts—he has tax cuts in his bill, too, I think—in what, the 5th year. If everything was not in balance, you would trigger over those tax cuts. That is another way of how they save $23 billion. That is something that even Darman had not thought of when he was here. So they thought of a lot of good things down there.

But I would hope the President of the United States would contact this Senator and the Speaker of the House of Representatives—the three of us sit down and get serious. This is serious business. If we do not have some agreement, if we do not pass the continuing resolution by Sunday evening, the Government will shut down again.

One way to avoid that is to let us bring up the Labor-HHS bill, which the Democrats twice have objected to. We are going to ask consent—I guess we

have already asked consent. That has been objected to. There are about 180,000 Federal workers. But, again, the Democrats will not agree to bring it up unless we agree to everything they want—take out striker replacement, do not vote on the abortion amendments. In other words, what we will do as the minority, and then we will accept or let you bring it up on the floor.

So we would like to bring it up tonight and be on it all day tomorrow and all day Sunday. By Monday morning, maybe we could have it passed and go to conference and bring it back. That would be 180,000 Americans who could go to work.

We are going to send down to the President now State, Justice, Commerce. VA-HUD will be sent down to the President; Interior appropriations tomorrow. All he has to do is sign those bills, and that will take care of nearly all of the Federal employees. That will leave remaining the District of Columbia bill and Foreign Ops. If we can get an agreement to bring up Labor-HHS, let us pass that tomorrow or Sunday in the Senate.

So if the President is not willing to negotiate the balanced budget except on his terms, and he is not willing to sign the appropriations bills we send him except on his terms and is not willing to let us bring up one of the largest bills with the most Federal employees—Labor-HHS, we have been prepared for the past 2 or 3 months, but it has been objected to by the Democrats.

So I hope the American people understand, if people who are covered by that bill are not working on Monday, why they are not working on Monday.

So, again, I would say to the President of the United States, tell the American people the truth. Do not come on television, Mr. President, and say that we are devastating this and devastating that, because, in fact, you know that in our budget we added back billions of dollars in Medicare and Medicaid and made other real adjustments.

Maybe it is impossible. Maybe we are not going to get anything done.

If that is what the President wants, he ought to just tell us that so we can make alternative plans, pass a very stringent continuing resolution and assume that is all we are going to get done. But in the meantime, we are still working on our side. We are still trying to resolve the differences on the DC appropriations bill and on the foreign operations bill. And I hope that they would be ready for passage, if not today or tomorrow, on Monday.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

MOTION TO PROCEED

CLOTURE MOTION

Mr. DOLE. In an effort to make some headway on the Labor, HHS bill—we have already had two votes which we have lost on a party-line vote—I move to proceed to H.R. 2127, and I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to the consideration of H.R. 2127, the Labor, HHS appropriations bill.

Senators Robert Dole, Arlen Specter, James Inhofe, Rick Santorum, Thad Cochran, Trent Lott, Strom Thurmond, Don Nickles, Craig Thomas, Mitch O'Connell, Slade Gorton, Dirk Kempthorne, Robert F. Bennett, Hank Brown, Connie Mack, and Mark Hatfield.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. I would only seek the floor if the majority leader is completed.

Mr. DOLE. I yield the floor.

BUDGET NEGOTIATIONS AND THE CONTINUING RESOLUTION

Mr. DASCHLE. Mr. President, I did not have the opportunity to hear all of the comments of the majority leader. Obviously, there are legitimate points of view that are very different as we consider the circumstances we are in right now.

The majority leader said we ought to have the truth about what is happening right now. His version of the truth and mine could not be more different. My version of the truth is—and I think it is shared by virtually every Member on this side of the aisle—it was the Republicans this afternoon who got up and walked out of the room. They were the ones to say, ''It's over. We don't want to deal with you any more. You're not acting in good faith.''

My version of the truth is that there is absolutely no reason why we should connect the continuing resolution with our effort in the reconciliation bill, none at all. There is absolutely no connection. And the reason why we are going through this charade right now with the appropriations bills is because they know that we are way overdue in completing these appropriations bills. We should have done them a long time ago.

And I will tell you one of the reasons we are overdue. Because they are putting stuff that does not belong in appropriations business on that bill. What does striker replacement have to do with health and human services? Absolutely nothing. We know that. They know that.

And on so many of these pieces of legislation there is absolutely irrelevant, completely unassociated matters legislatively that have nothing to do with appropriations, and that is the hangup, and they know it. If you want to pass that appropriations bill, we can do it by 6 o'clock, and it is now 5 to 6. We could do it by 6 o'clock if we would sit down in a serious way and take the extraneous things out and begin dealing with it.

That bill is going to be vetoed. We do not have to talk about it a long time. But we are not willing to do that because of those extraneous issues and everybody knows it.

So let us be clear. We do not have to shut the Government down because there is a pick with the President about whether he has been working in good faith or not. There is no reason to tell people one more time that they are out of work for whatever length of time. That is not necessary. We want a clean continuing resolution. We ought to have it tonight. We ought to pass it, and we ought to get serious about negotiations.

Now, we know as well that one of the biggest differences between Republicans and Democrats all through this reconciliation process has been the tax cut. And for whatever reason, the Republicans continue to say that is a nonnegotiable item; that we want to hold on to that tax cut virtually at all cost.

But that is not where we started. Where we started was the Republican insistence that we go to a 7-year balanced budget. The majority leader said it has to be on the President's terms. Well, the President said he had a 10-year balanced budget. And many of us supported the idea of balancing the budget in 10, 7, it does not matter, but the President had 10 years. The President said, ''As an indication of my good faith, I will go from 10 to 7.''

That is what he said. Now, the President also said we have a very big difference in our projection on what the economy is going to do when we balance the budget than what CBO does. There is a profound difference. CBO is saying that once we go through all the pain, there is really no gain. Once we cut all these programs as deeply as the Republican budget proposes and we balance the budget, interest rates are actually going to go up, unemployment is going to go up, corporate profits are going to go down, overall economic growth is going to do down, but we still think it is a great idea to get out there and balance the budget.

Mr. President, we do not buy that. You cannot tell me after NAFTA and after GATT and after balancing the budget and after doing all the things that we said we were going to do we cannot look forward to a better economic picture than that.

Now, why is it that the Republicans continue to insist on holding to that scenario before we even sit down and talk about our disagreements on policy? I do not know. OMB said it is not that bleak; we ought to be able to look at the next 7 years with a little more optimism than that.

So that is a fundamental disagreement that we ought to be able to work through. We should not just take our papers and walk out of the room saying, ''It's over; forget it.'' That is not how we do things around here. That is a legitimate difference of opinion that ought to be discussed.

And when it comes to the policy questions themselves, we are not prepared to go beyond where we said we were on Medicare and on Medicaid and on education and on taxing working people. We are not prepared to do that as long as the Republican position is tax cuts are sacrosanct, we cannot touch them.

So that is where we are. We thought that after the second proposal any objective person would say we are working in good faith.

That has not happened. I am disappointed. The Republicans have taken their papers and walked out of the room and now have threatened to shut down the Government because they did not get their way.

It does not have to be this way. We can go back in that room. We can discuss and negotiate and get the job done. There is still time. We are willing to do it tonight, tomorrow, Sunday, Monday. It does not matter how long. We are there. We will be there. Call the meeting. Let us get this job done.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me indicate that I have talked to both Senator DOMENICI and Congressman Kasich. There was never any mention of the word ''walkout.'' They suggested if we got serious, we would all come back together. And that is precisely where it is. We are prepared to come back. When the President of the United States gets serious, then we are prepared to come back and start negotiations.

I think most of us made plans to be here all weekend just for that purpose. We thought they were going to start this afternoon. We did start the meeting at 11:30, another meeting at 3 o'clock.

And it seems to me that as I watched events unfold, I think maybe there is a split not on our side. I do not know of any. But I think the Democrats are split. Some want to resolve the problem and some want to go into next year so there can be an election issue on a balanced budget. Maybe that is a legitimate concern.

We sent a balanced budget to the President. He vetoed it. We spent 10 months, 10 long, hard months putting that together. For the first time in my memory, we sent a balanced budget to put us on a path for a balanced budget by the year 2002 to the President of the United States, and he vetoed it. So he has already vetoed a balanced budget.

And now he says that even though he has vetoed one and wants one—we do not want one, or do we want one? And I would hope that—there is still plenty of time. It is only 6 p.m. Friday. I would hope that the President of the United States would contact those of us who have the responsibility, the leadership, and say, ''Let us sit down and try to work this out.'' If we cannot work it out, let us stop kidding the American people.

You cannot have it both ways, Mr. President. You cannot go out and attack us for trying to save Medicare, which you call a cut, and go back and take a look at Mrs. Clinton testifying on health care: ''You are going to need to lower the rate of growth of health care down to 6 or 7 percent,'' she testified, went before a committee. That is precisely what we are doing. That is what we are doing.

We finally had an accurate reflection of what we are doing on ''Nightline'' last week. Everybody ought to watch it. They took all the rhetoric and all the politics and wrung it out. And now they told the American people, separate the politics, we are trying to save, preserve Medicare.

And I will say to my friends on the other side, part B Medicare is voluntary. It does not come out of the trust fund. It comes out of general revenues. So the people working in the Senate, anywhere in the Senate, in the kitchen, anywhere, take their tax money and pay premiums for millionaires, multimillionaires. And the President says you cannot charge those millionaires—the Government is paying 68.5 percent—you cannot charge them 31.5 percent. It has got to drop down to 25 percent.

That is the President of the United States who ought to say we are after all these people. He is protecting the people who could pay more. I do not understand it. He wants to keep it at 25 percent so everybody else in America can help pick up the premiums, part B, which is voluntary, for people who can afford to pay a lot more than the people paying the taxes in the first place. Yet he is out rapping us every day, as he just concluded, saying we are trying to devastate Medicare.

It is not true, Mr. President. You know it is not true. So it seems to me that—I just look in the calendar. We have had this appropriations bill on the calendar since September 15, 3 months today, and we have tried twice to take it up. We failed on a party-line vote. I think I counted—somebody counted—about 160,000, 170,000 people would be able to go to work Monday morning had we passed that bill. But the Democrats—every Democrat opposed us on cloture so we could not get the bill up. So I filed cloture again. It will not get the vote until Monday. So it will be at least 1 day off or 2 days off.

But I want the workers to know, the Federal workers to know, Republicans did not prevent this bill from coming up. This is the big one. This is the big one, as far as Federal employees are concerned.

And maybe we can work out some consent agreement and pass it tonight by consent, go to conference, get it back here tomorrow or Sunday, in time so that the people—if you cannot get a CR—then they can go back to work.

So, Mr. President, let me also state, as I said to my colleagues earlier, a list of the possible remaining items for Senate consideration prior to Christmas. It includes nominations and Executive Calendar items, subpoena for Whitewater, if that is going to be debated or necessary, whatever, the budget negotiation, whatever, continuing resolution, remaining appropriations bills, DOD authorization conference report, other available conference reports, rangeland reform.

This is all assuming that we take up and pass the defense authorization bill on Tuesday, that we can do all these next week and the following week. I have the feeling that there may be a few absentees around here between Christmas and New Years. But it does seem very likely we will be in session, unless we can reach a framework of an agreement by the 22d of December, which appears to me to be fairly remote after what I thought was an indication from the President, 2 days running, that he was serious about it, he was prepared to come back here Friday and was prepared to get involved himself.

I am certainly prepared to get involved myself. I know the Speaker is prepared to get involved. I know the Democratic leader indicated his readiness. And I assume the same is true for Congressman GEPHARDT. We ought to be doing it now—now.

We ought to be doing this away from the press. I like the press. They are great people. But we are not going to negotiate if every 30 minutes each side has a press conference, as we did this afternoon, everybody out putting their spin on it. And now look where we are now. We are nowhere. We are right where we started.

So, hopefully, if we ever do sit down, we will sit down somewhere where we cannot be found, where we can discuss the issues and not what spin we put on it after it fails.

So I am still prepared to meet the President. I am still prepared to work with the President.

The Democratic leader mentioned GATT. He mentioned NAFTA. They would not have passed without Republican support. The President knows

that. Oh, it was fine to cooperate on those things because that is something he wanted. Well, the American people want a balanced budget by a big, big percentage. And we believe that we ought to have some real effort made by the President of the United States.

So one thing I did not add to this would be welfare reform will be up next week, the conference report we will send to the President.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. DOLE. I will be happy to.

Mr. DOMENICI. I was not present on the floor the last 15 or 20 minutes, but I was in transit, and I seem to have heard something which the Senator kind of corroborates that I heard, that the distinguished minority leader said on the floor of the U.S. Senate—he is here, Senator DASCHLE—that the Republicans broke off negotiations on the balanced budget today. Did I hear that correctly? He said that?

Mr. DOLE. The Senator from South Dakota is here. But I think that is the general feeling I had. And I do not think it is accurate, but that is what the statement was.

Mr. DOMENICI. Mr. President, if you would permit me, and the Senator might respond, because I have been reporting to the Senator regularly, the truth of the matter is that the President of the United States and the Democrats sent nothing to the conference. They put nothing on the table. And if they would like me to go through details, I will go through details.

They found $54 billion worth of savings, I say to my friend from the State of Florida, without turning a stitch. They did not change a single program. They said, ''We disagree on economics.''

I am not talking about $54 billion over 7 years, I am talking about it in the last year. They want to balance a budget so they say, ''Look, we do not agree that the CBO is right on this and this and this.'' So they find 54 billion dollars' worth of savings. And they want us to sit there and say, ''Hooray. You have really made some changes.'' No change. Not one thing changed. Not one program altered. And then they say, ''Well, look, we think the CBO is wrong on some estimates, so why don't we get the estimates right?''

And $21 billion. They have not changed a program. They have not had to bite a bullet and have not had to do a thing. That is $21 billion. I think if you add them up, that is $75 billion of movement toward a balanced budget in the last year without having to do anything. Is that not a marvelous, marvelous way to fix the budget of the United States? It is as if spending does not really matter.

Mr. DORGAN. Madam President, is the Senator from New Mexico asking a question at this point?

Mr. DOMENICI. Yes. I am still asking the question. I will get to the question very shortly.

Mr. DORGAN. I wonder if the Senator will get to the question.

Mr. DOMENICI. I would appreciate it if the Chair would advise the Senator I am entitled to finish my question. They have had plenty of time.

The PRESIDING OFFICER. The leader has the floor.

Mr. DOMENICI. And he is not objecting at this point. The President had the airwaves across all of America. He talked about what we had in mind. I want the Americans to know and the Senators to know what he had in mind. He had in mind that he could come to a conference and do nothing, offer nothing, change nothing, and then blame us. So that is what they did.

They said, ''We found 121 billion dollars' worth of savings.'' I have just given you $75 billion of it. ''And we have not changed anything. We haven't cut a pea. We haven't reduced spending.''

Then we go up and—let me tell you a neat one the President recommended today. If you want to understand the pickle we are in in trying to get a balanced budget for America, they take 23 billion dollars' worth of savings in the last year by saying, ''We don't want any tax cuts.'' Got it? You save $23 billion. But they say that really is not the case. ''We do want the tax cuts. We just want to say, if we are wrong on the economics, we will cancel the tax cut.''

Mr. DASCHLE. Madam President, I will not ask for the regular order, but——

Mr. DOMENICI. I will ask my good friend, Senator DOLE, who I have gone through this with regularly: Do you really believe, Senator, when the President of the United States signed a bill, and it says we will have a balanced budget using the Congressional Budget Office economics, and you and I have been asking the President to send us a proposal, do you think that it is a credible proposal to have absolutely no savings, no changes, and say to us, ''If you don't sit down and negotiate, somehow you're to blame for this?'' Could you give us your view on that?

Mr. DOLE. Well, let me say to the chairman of the Budget Committee, as I have indicated earlier, I am very disappointed because I understood the President—we have had a lot of talks the last few days on a number of issues—he indicated to me he was serious about this, because I asked him on the telephone, ''If you're not serious and we're not serious, why are we doing this? Why don't we do something else and go home?''

He indicated he was serious.

I know that was not the final offer. Neither was ours the final offer. But we actually did things in our offer, real things in our offer that made a difference: Put money back into Medicare and Medicaid, more money for discretionary spending, whether it is education, environment, whatever. We thought we were in good faith.

So I say to the Senator from New Mexico, I am disappointed. It seems to me we had an opportunity. This is now the 15th of December. This year is going to be over before long, and we are probably going to be right here to be able to see it leave.

The question is whether or not we are serious about getting down to business. We ought to be meeting right now. The meeting ought to be going on right now. We ought to be talking about the 82 areas where we have a difference—82 areas, according to White House sources, major areas—plus probably dozens and dozens of others.

So it would take all the energy we could muster between now and the 22d of December to even put together a framework of agreement, which I assume we would have to come back a couple days in January to pass under some expedited procedure.

So I know it is not easy. It is not easy making tough decisions. It is easy doing, as I said, things Darman had not even thought of when he was around. Smoke and mirrors, they used to say in those days. Just save $54 billion there, but baseline——

Mr. DOMENICI. Fifty-four right there just changing the economics. I say to the leader, did you not tell me to go back to the conference with the Democrats and say we will continue to negotiate, we will be there any hour, any time, provided you make some headway in moving the budget in the direction of making some changes that bring us closer together and bringing us a balanced budget according to the Congressional Budget Office? That is what you told me to do.

Mr. DOLE. In fact, I can say very honestly, we had a discussion after the first session, and the question was whether or not we ought to call the President of the United States by telephone and say, ''Mr. President, we can't negotiate with what was sent up here under your name, and if you're not serious, we don't see any reason to go back a second time.''

We said, ''No, let's go back again.'' We instructed Congressman KASICH and the Senator from New Mexico, ''Go back again. Nobody is blaming us for this not succeeding. Go back again and see if you get some serious statement or effort from Chief of Staff, Mr. Panetta, or somebody else.'' And that never happened. We did not walk out.

Mr. DOMENICI. No, sir.

Mr. DOLE. As far as I know, I guess everybody left; they had to walk out, but nobody left saying, ''This is it; it's over.''

Now the President is on all the stations saying, ''Oh, well, they broke off talks, broke off talks, cutting education,'' cutting this, cutting that, same old propaganda that has been used in the past 60 to 90 days.

So we are prepared to do whatever is necessary, and we are prepared to be here tomorrow and Sunday and Monday and all next week trying to pass the Labor-HHS bill, which would put some 100,000 people back to work, 180,000.

The Senator from Pennsylvania, Senator SPECTER, made a unanimous-consent request just 25 minutes ago to bring it up right now, and it was objected to. Not on this side. We have tried since September 15 to bring it up. It has been objected to. We cannot invoke cloture. We have every vote on this side, but not on that side. We do not have 60 Members. So I do not know how—we can bring it up if we agree to everything the Democrats want to do, then, ''Oh, we'll bring it up if you take out striker replacement, and you can't have any votes on your amendments or one vote.''

To me, that is not the way it ought to be. We are prepared to bring it up right now. They can move to strike striker replacement. We can move to strike some other committee amendments, and then finish the bill. It might take a day or two or three, but it will be completed.

So I want the Federal employees to understand, whatever they may read in the paper or hear on the television from the President of the United States or somebody else putting the White House spin on it, this bill, H.R. 2127, has been on the calendar since September 15. We have attempted to bring it up time after time after time. You would all be working Monday had we completed action on this bill, but it was objected to not once, twice, three times and we could not invoke cloture. We had no problem on the Republican side. All the problems were on the other side.

So if somebody is out there disappointed and in any of the agencies covered by this particular bill, they should understand precisely why it has not passed, why it has not gone to the President. We will take the rap on a couple of the others, as the minority leader indicated. On foreign ops, yes, it is held up on an abortion issue. DC is held up on a scholarship issue. We are trying to resolve that yet tonight. And the others have gone to the President or will go to the President.

So my view is, this is a big one, talking about Federal employees. This is a big one. We have been trying to get it up for 90 days. So I hope the President mentions that the next time he speaks and asks the Democrats to cooperate. Of course, he is for striker replacement and issued an Executive order which we think went beyond his authority. We repealed that in the bill. That is why he objects, that is why Democrats object to our bringing it up.

We are still around. We will be here this evening. We are prepared to reconvene if our colleagues are serious about it. If not, we will do the best we can to try to find some resolution between now and Monday morning.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The Senate minority leader.

Mr. DASCHLE. Madam President, there are many people who want to speak, and I do not want to take more time. Let me respond to a couple of points that were raised.

The distinguished Senator from New Mexico made a great speech. It was just all wrong. All wrong. We will not resolve it on the floor, and we will leave it to others to decide who is right and who is wrong.

This President has now provided not one, not two, but three bona fide offers to sit down and reach a balanced budget. He did it first with his 10-year budget last spring. He did it, second, about 2 weeks ago with yet another effort to bring us to the table in good faith, cutting over $150 billion in real cuts. And today, whether you accept all of the numbers or not, $121 billion in more changes than what he offered just last week.

Listen to the language. We were again told tonight that we will convene if we think the Democrats are serious. Madam President, if that does not make my point, I do not know what does. We, frankly, do not think they are serious. We do not think they are willing, really, to bring down this tax cut so we do not have to cut so deeply in Medicare and Medicaid.

And let me just say, I do not know how you describe what happened at the meeting, except to say that before Leon Panetta even had the words out of his mouth, the Republicans had stood up and were working their way out of the room.

Mr. DOMENICI. Were you there? I ask, were you there, Senator? Were you in the room, Senator?

Mr. DASCHLE. What do you do with a case like that——

Mr. DOMENICI. Were you there, Senator?

Mr. LEAHY. Regular order.

Mr. DORGAN. Regular order.

Mr. DASCHLE. I will yield the floor and allow others to speak.

Mr. MACK addressed the Chair.

Mr. DASCHLE. Let me say this. We all know that the most immediate thing we have to do is the continuing resolution. It expires tonight at midnight. We know that.

We know that we are not going to resolve our differences on all these appropriations bills and pass them by midnight. The distinguished majority leader made a point, and he is right: The majority of people support a balanced budget. I think a majority of the people—the vast majority—also want us not to shut the Government down, in spite of our differences.

UNANIMOUS-CONSENT REQUEST—S. 1410

Mr. DASCHLE. So I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 240, S. 1410, a clean continuing appropriations bill, that the bill be read the third time and passed, as amended, with a date change until December 22, with the language that will permit the expenditure of funds for low-income energy assistance.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Madam President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DASCHLE. I yield the floor.

Mr. DOLE. Madam President, I have objected, and I hope the time will come in the next couple of days where we can do something like this. But we cannot do it now. Obviously, we have made no headway.

I have been in a lot of negotiations around here, and I can tell when they are serious, I can tell when they are not. I can tell when they are posturing, and I can tell when they ought to end. I was not in the room, so I cannot make a judgment on this particular negotiation. But I do know that we made significant changes. I went over every one of the changes for hours and hours yesterday. We talked about the changes in my office with the Speaker and a number of Senators, and they were real and they were genuine and they were serious changes. We sought to address some of the concerns raised by the President and the Democrats in the House and the Senate.

So I just say that I think we made a good-faith effort. It is all about good-faith efforts. We do not believe the President did. Maybe they thought, ''We will shoot them a blank the first time, and maybe the second or third time we will put a little something in it.'' But I think we have already gone beyond that point.

It has been 26 days since we passed the last continuing resolution, and we are supposed to work all this out during that time. Well, nothing has happened, and we are here again. If there is no CR passed by midnight—and I am certain there will not be one passed—certain people will be affected over the weekend. If we do not pass one Sunday evening, a lot more people will be affected Monday morning. It will not be as many as last time because a number of the bills have been signed. The President can reduce the number because State, Justice, Commerce is at the White House, and he can sign that. That will take care of a number of employees if he signs that. HUD–VA is on the way; that will go to the President tomorrow. We will try to finish the DC appropriations sometime over the weekend, and we will try to figure out a way to get Labor-HHS. That would leave Foreign Ops, which we think we may have an agreement on, based on language from the Senator from Colorado, Senator BROWN. That would be it.

There would not be any more debate about a CR, but we would still have—Interior is going down tomorrow, too. That is another one. The President has all kinds of opportunities here to put people to work on Monday, without relying on a CR. He does not need one. That is the point I make.

I might ask, Madam President, since I interrupted the distinguished Senator from Florida, if he could be recognized at this time.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Madam President, about 26 days ago, when we were in similar

circumstances, there were negotiations between the White House and the House and the Senate about what to do to solve the impasse. An agreement was reached with a continuing resolution, signed into law by the President of the United States, with language included which said that he committed himself to a balanced budget in the first session of the 104th Congress—a balanced budget scored by CBO.

As the majority leader indicated a moment ago, it has been 26 days, and there has not been one single proposal made by the President of the United States that complies with that commitment. I must tell you that those of us who thought that 26 days ago, that there may have been an opportunity to move forward with a balanced budget proposal, we were hopeful that there would be an opportunity in these last 3½ weeks. In fact, we anticipated that this Friday, today, we would see, for the first time, a true proposal from the President of the United States to balance the budget. The minority leader referred to the number of plans that were sent here by the President of the United States.

I remind my colleagues on the other side of the aisle, you had an opportunity to vote on one of those plans, and every single one of you, as far as I can recall, turned your backs on the President because you knew it was a phony budget. And every proposal he has sent to us since then has been phony. It has been an absolute positive phony.

We come here this evening with a sense of utter disappointment because we are serious in this effort to balance the budget. We feel like you are playing games with us, you are playing games with the American people, and you are playing games with the future of this country and our children and our grandchildren. And, yes, we are a little bit angry and upset. We feel betrayed.

Let me be real plain about how I feel about this President. The President of the United States has, once again, proven that his commitment to principle is nonexistent. He gave his word; he broke his word. It is a habit he does not seem able to break. It is unfortunate to have to say that, but that is an accurate statement about this President. To imply that the offer made today was a serious offer is an insult to us. To come down here with a proposal that virtually does nothing with respect to making additional reductions in spending is an insult to the Congress of the United States and an insult to the people of this country.

If you look over this proposal, in the year 2002, they put on the table a suggestion that they were going to eliminate the deficit in the seventh year to the tune of $121 billion. And the reason they came up with that number is because the Congressional Budget Office scored the last proposal that the President sent down here. It was a proposal that he said would balance the budget. After all, all we are doing is using the Congressional Budget Office, which, if you will recall, in January of 1993, the President of the United States reminded all of us that it was important to use the Congressional Budget Office to evaluate budget plans, because he did not want to be accused of estimating his way out of the problem.

Well, I say again, very plainly, it is pretty obvious to me and pretty obvious, I think, to the American people, that the only thing this President wants to do is estimate his way out of the problem. When you look at the proposal they sent down to us today, out of that $121 billion, $54 billion is in economic baseline differences—estimating your way out of the problem. And $21 billion more, a proposed resolution of scoring differences—estimating your way out of the problem. And then another $23 billion, which I will say is a tax increase. What it says, in essence, is if you get to the 7th year and you are not in the balanced budget range, then you eliminate the tax cuts he has in his budget, which amounts to $23 billion. He has, in this proposal, about $98 billion out of $121 billion, which is estimating his way out, and the other is raising taxes.

That is an absolute phony proposal. I must say, I admire Senator DOMENICI for his willingness to go back into the meeting for the second time today after this phony piece of paper was put on the table.

Madam President, I agree with the minority leader that we do have legitimate differences. But you do not have the guts to put those legitimate differences on the table. The reason for the last 26 days that you have avoided coming down here and putting a proposal on the table is because you will not tell the American people what you are willing to do. You will not make the tough decisions. You just refuse to put a legitimate offer on the table. And then you have the gall to come to us and tell us that we ought to put another proposal on the table.

So, Madam President, this President of the United States vetoed a balanced budget proposal. It was a proposal that would have balanced the budget, and it was the first time in decades that I know of where a President of the United States received a plan that would balance the budget—and this President vetoed it.

This is the same President who is opposed to the balanced budget amendment. This is the same President who has been opposed to every plan that has been put forward to balance the budget. When he vetoed it, he took on the responsibility of providing a legitimate alternative. He has, in fact, refused to do that. I think it is very, very clear to the American people that, in fact, he has broken his word once again.

I yield the floor.

Mr. EXON. Madam President, I was listening with great interest to the goings on the Senate floor. I have been involved in all of the meetings that have been held, both the joint meetings with the conferees to try and come up with a role, and I have been involved in many meetings on the Democratic side. In 5 minutes I am going back to another meeting.

We, the Democrats in the House and the Senate, will try once again to come up with something that would get the Government back working again. I bear my share of the responsibility for what I think is the totally ridiculous position we find ourselves in. Grown men and women, here at 6:30 or so on a Friday evening, with the Government ready to shut down in another 5 hours, and we are quibbling. We cannot even get through a continuing resolution just offered by the minority leader to keep the Government going for a few days. They turned that down.

You heard the objection by the majority leader to the Democratic leader's reasonable offer. How could any reasonable person object to keeping the Government going for another 3 or 4 days? I do not think this is the proudest moment in the history of the U.S. Senate. We all have to bear our share of the responsibility for that failure.

When I have been hearing all of these remarks about the President of the United States not being sincere, not making a legitimate offer, Madam President, I will not dignify that kind of talk with a lengthy statement except to say that I do not agree at all with that kind of rhetoric.

I say, Madam President, in conclusion, that if those on the other side of the aisle are suggesting that we get real, then I suggest that they get real by coming up front with what we all know has to be the major ''give'' to reach a balanced budget in 7 years, and that is the ridiculous, outlandish tax cut that basically affects the wealthiest among us in America, $245 billion worth that is the centerpiece, I suggest, of the Republican balanced budget amendment.

The main reason that the President of the United States properly vetoed the reconciliation bill which would have allowed that—how anybody on the Republican side of the aisle can in good conscience stand up and criticize us for not being real when they are insisting on the centerpiece of their whole budget, unfortunately which is the $245 billion tax cut basically weighted to the wealthiest people in the United States of America. Until they come off of that in a realistic fashion, we are not going to bend.

Fortunately, we have the President of the United States on our side with a veto pen. Maybe I should stand corrected, Madam President. I just said they have a $245 billion tax cut that basically goes to protect the wealthiest among us. I stand corrected. It is $242 billion, because in all good conscience the Republican conferees came to that meeting today and they agreed to cut $5 billion—a total of $5 billion out of a $245 billion tax break for the wealthiest

among us, and they claim that we are not being reasonable.

I simply say, Madam President, while I am not particularly proud of what is going on in the U.S. Senate tonight, and for the life of me I cannot understand how reasonable people with legitimate differences of opinion on how we reach the balanced budget cannot agree to a continuing resolution to keep the Government running while we continue the frustrating process of trying to come up with a balanced budget.

Madam President, there is no way that the Democrats can, should, or will give up our insistence of at least a measure of protection for the Medicare recipients and the Medicaid recipients. The latter, I point out, is not welfare, it is health care. Most or all of the billions of dollars that we spend in the Medicaid Program, over half of it goes to the senior citizens, the oldest and frailest among us who are lying in beds, many of them never getting out of beds, in our nursing homes.

The Republicans are making draconian cuts in that program. Like it or not, we will not have it. We will not put up with it. We are willing to compromise, but we will not move until they get realistic on eliminating that gross $242 billion tax cut for the wealthiest among us and the American people know and the American people by a vast majority stand with us, even though we stand in the minority.

I remind all in closing, Madam President, this Senator has been for a balanced budget for a long, long time, worked hard for it. I voted for the Republican constitutional amendment to balance a budget in 7 years. My credentials are pretty hard to argue with. I simply say that I, once again, emphasize that I am not particularly proud of what we are doing on either side of the aisle this Friday night on December 15. I simply say that if you are looking for someone to blame, we Democrats are willing to take our share of the blame when and if the people on the other side of the aisle would get off their kick which is the centerpiece of their budget proposal to throw away $242 billion in a tax break on the rich while savaging Medicare and Medicaid and other social programs that we think are very important. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I have had an opportunity to listen to this whole discourse between the leaders and the chairman and now ranking member of the Budget Committee, and the excellent statement that came before.

Sometimes I wonder what country I am in, how much revisionist history that we are going to be subjected to on the floor of the U.S. Senate. I have come to expect it out of the White House. I turn on the White House now and I expect to hear the latest version of nonreality. It just comes up every day. As the Senator from Florida said, this President just does not know how to tell the truth anymore. He just makes a promise and breaks it every day. Changes it every day. What is the story today? What does the poll read today? How can I flip-flop again today?

One time he is out criticizing the Republicans for gutting Medicare, and his wife and himself just 2 years prior to this were advocating the exact same reductions in Medicare. I will show you the videotape. The Senator from Kansas, the majority leader, is absolutely right. All of you who can get a chance to watch ''Nightline''—this is not exactly a Republican, GOP ''Rising Tide'' program, this is ''Nightline,'' ABC ''Nightline'' on December 12—watch it. Get a copy of it. Get the transcript. Find out the truth. Find out the truth.

Mrs. Clinton, in front of a committee I happen to serve on, the Ways and Means Committee, testified she wanted Medicare to grow between 6 and 7 percent. Our program under this bill grows Medicare at over 7 percent each year. And that is a slash? That is destroying? ''That is horrible. You hate seniors.''

As his press secretary said, ''Oh, Republicans want these seniors to die.'' That is the kind of rhetoric we get out of the White House—the White House, the President of the United States, not some two-bit peddler on the corner trying to hawk his wares, who can make any kind of outrageous statement he wants to, to try to sell the goods. No, the President of the United States, to the American public—bald-faced untruths. Every day. Just like his press conference a little while ago. Not true. Not true.

Is his offer legitimate? Oh, how do you walk into a budget negotiation that you say you are going to live up to what the continuing resolution, the last spending bill, said—and what did he sign into law? He signed into law a balanced budget, that we would balance the budget in 7 years using the Congressional Budget Office numbers—into law. Not another one of his promises on the campaign trail, which he broke, like cutting taxes for the middle class, but signed something into law with a pen—not Lyndon Johnson's pen, maybe it wasn't Lyndon Johnson's pen—but into law.

So, where does he come, the day of the shutdown? He comes into a room with a budget that does not even come close to balancing.

We have had the President's budgets before. In fact, we voted on them on the floor of the Senate. The last one that was supposedly balanced in 10 years—96 to nothing. Not a single Democrat voted for his balanced budget. Another phony, another untruth that even the people on the Democratic side of the aisle could not stomach—this untruth. We are tired of stomaching untruths over here. We are downright getting angry over here. We are not angry because we feel betrayed. I disagree with the Senator from Florida. I do not feel betrayed. I expect it. I predict it. This guy is not going to tell the truth. Just believe that. Go into negotiations believing that.

What I am upset about is I think we are missing an opportunity here to do something good for America. We can balance the budget of the United States. We can improve the economy of this country, create more jobs, lower interest rates, give some of that money back to the American families across this country.

Oh, I know these people who do not need the money, according to many. Oh, you know, these working families making $30,000 a year who do not need the money, who would waste it if they did not give it to us. We can use it better than they can.

Oh, this is the tax break for the wealthy that we have been hearing about. Let us talk about this tax break for the wealthy. Over 80 percent of the tax break for the wealthy goes to people who earn under $100,000 a year. That is the tax break for the wealthy—targeted. This is wonderful rhetoric, targeted at the wealthy, primarily the wealthy.

Let me tell you about targeting. Do you know who pays 50 percent, roughly 50 percent of the taxes in this country? The top 5 percent of income earners in this country pay 50 percent of the taxes. So, if you were going to give an across-the-board tax cut based on how much you pay, obviously 50 percent of the benefit will go to the top 5 percent, because they pay 50 percent of the taxes. Yet, in this case, 80 percent of the benefits go to people who pay well under 50 percent of the taxes.

How, is that targeted toward the wealthy? In reality, how can you make the argument, based on those facts—nobody argues those facts, where this money is being allocated, who the tax cuts benefit. How can you stand up on the floor of the Senate and make a factual statement, as the President has done—not on the floor of the Senate but in other places—and many Senators, make the statement that we have tax cuts targeted for the wealthy, when they know that is a lie?

I am using strong terms like ''lie,'' but I do not think anybody understands these other sort of terms: obtuse, indirect, you know, not-coming-forward. We have gone beyond that. We are just dealing with some systematic disinformation campaigns that I have not seen in my lifetime.

I can tell you, we have not done a very good job—I will be self-critical of myself and other Members on this side of the aisle and others who are supporting a balanced budget—we have not done a very good job of getting the facts out. In fact, if we do get the facts out, we know we can succeed.

I will refer you to last Thursday's Wall Street Journal. There was a poll of Americans. The question was asked, ''Given the fact that under the Republican budget, Medicare spending increases by 45 percent over the next 7 years, do you think that is, A, too much; B, too little; or C, just about right as far as the increase is concerned?

Madam President, 60 percent of the people said a 45 percent increase in Medicare spending was too much; 38 percent said it was just right; 2 percent thought it was too little. Two percent of the American public as surveyed thought that it was too little of an increase.

Now, with the recent changes that we have just made in our Medicare proposal, Medicare spending goes up at a higher rate than 45 percent. Maybe that would drop to 1 percent of people who think it is too little.

See, we believe that when we get the facts out—not rhetoric, not, ''Oh, you are going to hurt this person or that person,'' or showing the pictures, those graphic photos about how people are going to sleep on grates, or your grandmother who is not going to be in the nursing home.

We have a responsibility here to deal with the facts. The facts. We have a responsibility here to base our decisions on what is good public policy for today, tomorrow, and the future. We are standing up as Republicans, doing what I believe is a very courageous thing. We are taking on the sacred cows of Washington, DC. We are taking on Medicare and Medicaid and welfare. We are not doing it in a time of severe financial crisis or foreign crisis. We are doing it because we believe it is in the best interests of our children and their children, and people living today to do just that.

I will never forget, as a Member of Congress, reading column after column, expert after expert, people here on this floor and in the House, saying, ''When are we going to get statesmen again in this country? When are we going to get people who ignore the polls—who ignore the polls—who ignore the moment, who forget about the next election and think about the next generation? When are we going to get these statesmen here in Washington again?''

They are here. And they are willing to sit down and negotiate. They are willing to get serious about solving problems.

Maybe the White House should take a few days off from polling and quit worrying about what the public is saying tomorrow or the next day and think about what future generations are crying to us to do.

Senator COVERDELL, from Georgia, comes to the floor on a frequent basis and puts up a chart showing how, within 15 years, five programs will consume every dollar of Federal spending. Five programs: Welfare, Medicaid, Federal retirement, Medicare, and Social Security. Those five entitlement programs will consume every Federal dollar, with the exception of payments for interest.

You can trot around here all you want about: You should not touch Medicare. You should not do this. If we do not control the rapid growth of all of these programs, you will not have to worry about Head Start funding. We will not have to worry about Labor-HHS. There will be no Labor-HHS bill. We will not have to worry about continuing resolutions. We will not have any money to appropriate. We will have all entitlement spending. We can go home. We do not have to pass any bills around here. Everything will be on automatic pilot. We will just spend away.

To suggest by our efforts to reform Medicare and Medicaid that we, somehow, do not care about your grandmother or grandfather in a nursing home or do not care about people who are indigent getting care is the lowest form of demagoguery.

Do you not care about people today and tomorrow? Do you not care about the future? Do you not really care that unless we make changes, these programs are doomed? You can whistle through the graveyard at night all you want, but eventually, folks, we face the music. We must face the music. And when the President of the United States walks in with his negotiators in a budget negotiation today to present an honest budget, he does not even nick either of those programs, Medicare or Medicaid, does not even talk about reforms of either of those programs, when he knows that we have to make fundamental changes.

They did not walk out, but I would not have blamed Senator DOMENICI and Congressman KASICH to walk out. There comes a time in every negotiation when one side just has to call the bluff, and right now the President is bluffing. He has been bluffing for months. He is hiding those cards. He has not shown them to anybody. All he is doing is looking at those cards and telling the American public: Oh, my cards are great. They protect our values. I sometimes quiver at what his values are. But they protect them.

Our cards are all laid out on the table. They are all face up. You can see every one of them. You can see our good cards and you can see our bad cards. You know what we have said? We are willing to negotiate all of those cards. I do not know where the Senator from Nebraska or the Senator from South Dakota are coming from in saying that we are not willing to negotiate the tax cuts. I have not heard one remark from any of the negotiators or any of the leaders or anyone on this floor who said we are not willing to negotiate the tax cuts. We are certainly willing to negotiate the tax cuts.

We have already, as the Senator from Nebraska said—and it may not have been as much as he would like to have seen—we have already changed the tax cut a little bit. We knocked off $5 billion. But remember, this is money that you work for. You would think around here that a tax cut is money that we have in Washington that we may want to give to you.

Let me remind you that you have to pay it here first. You have to work hard to earn it and then pay it here. We do not have a right to it. This is not a Government where you say, well, 100 percent of what you own is ours and whatever we are willing to give you back you can keep. That is not the way it works. Over the next 7 years, taxes will increase above the level today by over $3 trillion. Americans will pay $3 trillion more in taxes over the next 7 years. What are we suggesting? Well, instead of increasing it $3 trillion, it will increase a little less than that, about $240 billion less than that. Boy, what a giveaway. Boy, what a steal here. We are just throwing money out of Washington, are we not? You are going to give us $3 trillion more and we will give you a couple hundred billion and we will target it specifically.

Mrs. BOXER. Will the Senator yield?

Mr. SANTORUM. That is, $141 billion of the $245 billion targeted specifically at middle-income working families.

Mrs. BOXER. Will the Senator yield as far as time?

Mr. SANTORUM. I yield for a question.

Mrs. BOXER. It has nothing to do with substance, but could I ask the Senator how long he expects to continue?

Mr. SANTORUM. Just a few more minutes. I will be done in 5 more minutes, I would suggest.

Mrs. BOXER. I thank the Senator very much.

Mr. SANTORUM. So we have a tax cut proposal targeted at middle-income working families. I had done a few fundraisers last year when some of our local candidates were running, and there were people out there who expressed to me the same sentiment that I hear from many Members on this side at these fundraising events saying, ''We really don't need these tax cuts.'' That is what these people at fundraisers were saying: ''Well, we really don't need these tax cuts.'' And my response to them was very simple. ''That's right, you don't need these tax cuts. But there are millions of working families who do, who can't afford to be at these fundraisers because they have to feed children on two incomes.''

We want to give them a little break so maybe they do not have to work two jobs. Maybe they can just work one extra job to make ends meet. And we want to reform Medicare so Medicare will be here not just for this generation of seniors but for future generations. It absolutely amazes me how anyone could stand up here and say we are for seniors but we are not for touching Medicare in the face of a report that says it goes bankrupt in 7 years. How can you say that? How can you say you are for seniors?

Mr. FORD. Will the Senator yield for a question?

Mr. SANTORUM. I will be happy to yield for a question.

Mr. FORD. What budget has the Senator seen that has not reduced Medicare?

What budget has the Senator seen that does not reduce Medicare?

Mr. SANTORUM. The President's budget—

Mr. FORD. I just asked the Senator a question.

Mr. SANTORUM. —weakly addresses the issue of Medicare.

Mr. FORD. The budget that was presented reduced it $89 billion, the first one out of the box.

Mr. SANTORUM. I take my time back.

Mr. FORD. Take it back, but be careful and be accurate.

Mr. SANTORUM. I will be happy to be accurate. The President's budget, I will concede, reduces slightly the growth of Medicare.

Mr. FORD. What about the second offer?

Mr. SANTORUM. But nowhere near the amount needed.

Mr. BENNETT. Will the Senator yield for another question?

Mr. SANTORUM. Be happy to.

Mr. BENNETT. Will the Senator explain to me how increasing Medicare at the rate of 7 percent is described as a reduction in any budget? I have not seen a single budget anywhere that reduces the level of spending in Medicare. I have only seen a budget that reduces it from proposals. So I would ask the Senator why he uses the term ''reduction'' when in fact the amount of money being spent goes up each and every year?

Mr. SANTORUM. The Senator caught me in my own inaccuracy, and I apologize for that, and I apologize to my Democrat colleague. I should not use the term ''reduction.'' The Senator is absolutely right. I should fill that in—reduction in the rate of growth of Medicare, because that is all we are doing. We are reducing the rate of growth.

As I said earlier, Medicare increases by over 45 percent over the next 7 years. And so while the President wants to reduce the rate of growth a minimal amount, less, I might add, than his original proposal when he was advocating universal health reform, all of a sudden from one year to the next he has decided that Medicare does not need to be reformed as much as he first thought it would.

Now, I do not know what has led him to that conclusion other than the fact that now we want to do it and he does not.

What he wanted to do before was reduce Medicare so we could get another big Federal program started—universal health care, Government-run health care. He was willing to sacrifice seniors, using his term, sacrifice seniors to fund a big new entitlement program, more health care, Government run, but when it comes to balancing the budget, no, it is not worth that sacrifice then to balance the budget—if that is what it is, a sacrifice.

I guess it is a matter of your priorities. If your priority is to grow the Government, create new entitlements, create new programs, oh, it is worth taking a little bit out of one Government program to fund a brand new one. But if it is about balancing the budget, if it is about helping working Americans, if it is about creating a better economy, if it is about giving up some power here in Washington, oh, no. No, that is not a high priority in this administration. What is a high priority is scare tactics. Scare tactics. Oh, no, we are not scaring 25-year-old folks who are getting out of school and ready to take on the world. Oh, we would not scare them because, you know what, you probably cannot scare them. Oh, let us scare our grandmothers. Let us scare the golden. Let us scare the people in nursing homes. Let us scare the people who rely on Federal Government checks. Let us scare those people. They are the most vulnerable. We can get them. Oh, they rely on us. We can get their votes. We can swing their votes. It is pathetic. It is pathetic.

If the Senator from Kentucky is right that the President wants meaningful Medicare reform, well, let us talk about it, do not run around the country, do not run around the country scaring seniors. Let us sit at the table and discuss it, and let us come forward with some real reforms, let us come forward with some movement. We have not seen any movement.

The President's budget remains as it has at the same Medicare figure. Have we seen any changes in Medicare? No. Has he moved? No. Has he moved on Medicaid? No. Has he proposed a balanced budget? No. Why? Why? Maybe that is the fundamental question we sort of have to end with here. Why is it that the President of the United States, who promised—I know that is not necessarily a big thing around here—who promised to balance the budget using honest numbers in 7 years, why has not he put on the table a balanced budget? Why?

Why do you think that is? Do you think it is because that is not possible? No. It is not because it is not possible. We know it is possible. We actually did it in the U.S. Senate. We passed a balanced budget. I give credit, 19 Democrats had a balanced budget, using Congressional Budget Office scoring, so I give them credit. They put forward a balanced budget. I did not agree with its priorities. It might be a good place to start working from.

But why has not the President put forward a balanced budget? I think the answer is pretty simple. Because if he was going to put forward a balanced budget, keeping true to what he said he wanted to do, balance the budget, provide middle-income tax cuts for families, which he said he wanted to—promised during his election. I know that does not mean anything anymore. We do not believe candidates anymore, some more than others, but he said he wanted to do that. He wanted to save Medicare, end welfare as we know it. That was part of his election campaign—end welfare as we know it.

Why could he not come up with that balanced budget? The answer is very simple. If you want to do what the President says he wants to do, he has to make changes to his Medicaid and Medicare proposal. And if he does that, then he cannot run around the country scaring seniors anymore. I mean, let us cut to the chase here, folks. That is the bottom line.

We all know where the savings have to come from. It is no secret here. If you take Social Security off the table, if you take Federal retirement off the table, and you are going to reform entitlements, where do you get your savings from? Where are you going to get your reforms from? We all know the answer. The President knows the answer.

And why it is he is so reticent to come forward and put it on the table? Because he loses his political cards if he does it.

Mr. DORGAN. Would the Senator yield? I wonder how much time the Senator is going——

Mr. SANTORUM. I was interrupted, and it threw off my train of thought. I will do my best. If I am not continued to be interrupted, I will do my best to close up pretty soon.

Mr. FORD. We would love for you to.

Mr. SANTORUM. I know the Senator from Kentucky would love to have the opportunity to have the floor and say some things. And I do not think we are going to close down shop here any time soon, so I am sure you will have plenty of chances to talk for quite some time.

But the reason that the President has not come forward with a balanced budget is simple—because he does not want to make the hard choices, he does not want to make the politically difficult choices of balancing the budget, he does not want to lead. It is much easier to sit up in the gallery and throw stones at the players.

Oh, it is easy to be a fan. It is easy to be a critic. It is easy to be condescending. It is very hard to get on the field, put the pads on, and hit the line, make the tough choices. The President would rather stay off the field.

Well, unfortunately, when you become President, you have to make some of the tough choices. That is why you get paid the big bucks because you have to make tough choices. And the reason that the Republicans are saying, ''Call me when you are ready,'' is because the President is not ready yet. He has not made the tough choices. And this is not the Senator from Pennsylvania talking, this is just about every major publication in this country who are beginning, slowly beginning, to understand that the President is not playing from the top and dealing from the top of the deck.

It is about promises. And I will conclude with this. No applause necessary. We promised—we promised, those of us elected in 1994 and here in the Senate, and many others who were elected in their elections even prior to 1994, we promised that we would balance this budget. We promised. And I know promises are not thought a lot of down here. In fact, they are just sort of made to get elected. I know that is the common thing. You say things to get elected. Say you are for a balanced budget

and vote against it on the floor; say you are for tax cuts and vote against on it the floor or do not propose it in your bills. But you know what? We promised.

I will tell you a story of a man who was the head of a Bible college in South Carolina, something he always wanted to do. His father started the college, and he always thought of his life's vocation as taking over the college from his father and leading that school. And he did. He did for several years and was terrific at it. Loved his work.

Unfortunately, his wife came down with Alzheimer's. And, as you know, Alzheimer's is a very debilitating disease. Over time she got worse and worse and worse to the point where she needed around-the-clock care. She was completely incapacitated, did not know who anybody was, did not know who he was. And he made the decision to quit his job at the Bible college and give up his vocation.

The members of the board of the Bible college came to him and said, ''What are you doing? You are giving up something you have always wanted to do, and you are doing it so well. Look at the number of people you are going out to educate, to spread the Lord's word all throughout the country. And you are giving that up to go home and take care of your wife? She does not even know who you are.''

And he said two things. First he said, ''She may not know who I am, but I know who she is. And, second, when I married her, I promised till death do us part. And there is something more than a calling from God; it is a promise.''

We promised. And we are going to stay here every day, all day if necessary. And yes, we will storm out of rooms and maybe they do not storm out but they should have for the demagoguery that is going on. But we will be here every day ready, willing and able to negotiate because we promised. And I have told the leader I will be here Christmas Day. If we are going to vote on the floor of the Senate to send American men and women to be in tents and around kerosene heaters in Tuzla, then I can be away from my family on the floor of the Senate to save the next generation of Americans.

We will be here. And we will win. The President will eventually understand that our resolve to balance this budget is greater than his to get away with not doing it.

Madam President, I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Thank you very much, Madam President.

Before the Senator leaves the floor, I disagree with him on many of the things he said; and on a couple I agree. When he said we need more statesmen in the U.S. Senate and in Government, he is right. We need more statesmen and we need more stateswomen in politics.

But I want to say to my friend that statesmen do not show disrespect to the Office of the Presidency and statesmen do not use the word ''lie'' on the floor of the Senate. And I think it is very important for the sanctity of this institution that we respect each other and that we respect the Office of the Presidency.

And I have to say that I hope the Senator from Pennsylvania will read his remarks in the RECORD and will have an opportunity to go over those remarks.

Perhaps when he reads those remarks, he will understand the difference between making a point in a way that is disrespectful and making a point in a way that is respectful.

I will say to him further that he talks a lot on this floor about children. Children watch us debate. Children need to learn respect, and I hope that he will think about what I have said, and perhaps the next time he comes on to this floor of the U.S. Senate to disagree with the President of the United States, because he happens to believe the President is wrong to stand up against $270 billion cuts in Medicare and change the nature of Medicaid, he thinks the President is wrong to stand up against tax cuts which, in fact—in fact—benefit the wealthiest among us—as a matter of fact, if you earn over $350,000 in this Republican budget that they are so proud of, if you earn over $350,000, you will get back thousands of dollars each and every year. As a matter of fact, over a 10-year period, you will probably get back more than $80,000 in taxes, and that is why the President is making the Senator from Pennsylvania so angry. That is why the President of the United States is making the majority leader so angry. And that is why the President of the United States caused the Senator from Florida, Senator MACK, to say, ''I'm angry.''

You know what? That is just fine with me. That is just fine with me. If you are angry because the President is standing up for the people of this country, not the special powerful few, but the people of this country, then go ahead and be angry.

To talk about, as the Senator from Florida, Senator MACK, did that the Democrats have no guts, let us talk about that for a minute. When we started here on the floor of this U.S. Senate talking about the budget of NEWT GINGRICH that was the centerpiece of the Contract With America, we were not popular. We were not popular at all. As a matter of fact, the polls said the Republicans were flying high. But we stood on the floor of the U.S. Senate and we said we will not allow the power of Government to stand behind the wealthiest few and abandon the middle class and the people in nursing homes and the people on Medicare; we will not allow that.

And suddenly, the people in this country woke up, and they heard us and they heard this President. Yes, they want a balanced budget, and so do we, and we voted for several of them. They agree with us. Yes, they want a balanced budget, but they want a balanced budget that does not hurt the elderly, that does not hurt the middle class, that does not hurt the children, that does not hurt the environment.

Mr. REID. Will the Senator yield for a question?

Mrs. BOXER. I will be happy to do so.

Mr. REID. It is true, is it not, the Republican budget, every one they put forth, raises taxes on anyone making less than $10,000 a year, which includes the majority of people in America?

Mrs. BOXER. My friend is accurate, a majority of people who earn less than $10,000 a year are hit with a tax increase in the Republican budget.

Mr. REID. If my friend will just let me again ask another question?

Mrs. BOXER. Yes.

Mr. REID. Anyone in the United States, which includes a majority of the people in America, under the budget proposals we have gotten from Republicans, every one of them, everyone making less than $10,000 a year, will have a tax increase, is that not right?

Mrs. BOXER. It is true, a majority of those earning under $10,000 a year will be hit with a tax increase and the tax cuts go to the wealthiest. That is a fact. And as I serve on the Budget Committee, I say to my friend, I tried. We offered amendments that said if there will be any tax breaks or cuts it should be aimed at the middle class, not at the wealthy.

I know that my friend from North Dakota has been wanting to speak, so I am going to sum it up in about 3 more minutes, and I want to make a point. There is no reason to shut this Government down, no reason in the world to shut this Government down. It is childish, it is stamping your feet, it is saying, ''I'm taking my books and I'm going home.'' But more than that, it is selfish, and it is cruel to do it.

I want to talk to you in my remaining moments about a couple of people in California. Ken Takada, a veterans claims examiner in Los Angeles. His job is to make sure veterans receive the health and pension benefits to which they are entitled. If the Government shuts down, Ken will not be there to see that our veterans get what they deserve. Even after the shutdown ends, its effects will be felt for a long time, because while the VA is closed, new files are piled on his desk, lengthening the case backlog that is already too long.

So the veterans will get hurt and the shutdown will hurt Ken. He is not independently wealthy. He lives like most Americans, from paycheck to paycheck. If his pay does not come in, he could default on his student loans.

But when Senator DASCHLE stood here and offered a continuing resolution that was clean that said keep the Government going, let these people go to work, let them do the work they are paid to do, let them have some sense of

security, the Majority Leader DOLE objected.

So let me tell you, my friends, it is an ugly situation here. Senators who will not lose a day's pay—there is no corner on anger in this Chamber, and I know the Presiding Officer and I tried hard to make sure that we sacrificed something when we cannot get our act together and the Government shuts down.

We have a bill that simply says we should be treated like the most adversely affected Federal employee. But, no, the majority leader objects when the Democratic leader says, ''Let's keep the Government going just for a few days.'' And what is the price that Senators and Congressmen and NEWT GINGRICH get to pay? Zero, because NEWT GINGRICH himself has blocked that bill from coming before the House.

It has passed here three separate times. I think it is an utter disgrace, it is despicable. I hope every single person in this country will let Speaker GINGRICH know and call him on the phone 225–0600—it is a 202 area code—and tell him that he does not deserve to get his pay as long as Federal employees are not getting theirs.

Let me just say this. They can put any spin they want on the other side of the aisle. They can do it. But it comes down to the bottom line: This President is not going to allow Medicare, Medicaid, education, or the environment to suffer in order to give a huge tax break to the wealthiest people. That is the issue and they do not like it. They will spin it their way and tell you they are going to save Medicare.

I will ask you to look at NEWT GINGRICH's speech made 2 months ago when he said, ''We cannot kill Medicare outright. We are going to let it wither on the vine.'' Those are his words, not mine.

The majority leader, Senator DOLE, who says they are going to save Medicare—and he bragged about it in a recent speech that when it was brought up in the U.S. Senate and U.S. Congress, he was here to fight against it. So if the American people believe the Republican Party is going to save Medicare, either, first, they do not know their recent history and past history, or, second, they must think that Jack the Ripper is Mother Teresa, because there is no way that this Republican Party, given its history and given this budget, can stand with a straight face and say they are the party that is trying to save Medicare, and, oh, they are the party that is going to make sure the middle class and the poor are brought along. It just is not true.

So there is a lot of anger around here. There is a lot of disappointment around here, and it permeates through this Chamber, but, frankly, it is for different reasons.

I stand with President Clinton in standing up against a budget that would be put in balance at the expense of the American people.

I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Madam President, I appreciate the recognition. I say to my friend, I know he has been on his feet. I have been in the Chamber for some time, also. I will not go on as long as my colleague from Pennsylvania, and I assure him he will get an opportunity to respond as quickly as I can make a few points.

I will not use words like ''lie.'' I will not use ''despicable'' and ''disgraceful.'' I came over here a little bit angry, but I will not use the word ''anger.'' I will do my best to try to analyze what I think is really going on here and hope it might make a modest contribution to the dialog.

I do not believe that anybody is proposing savaging Medicare. That was a phrase that was used earlier on this floor. I am willing to stipulate, for this Senator, right this moment, that I will accept the President's number for Medicare. It happens to mean, in terms of increased premiums—one of the things the President has been most upset about—that I am now sacrificing Federal revenue of 39 cents per day per recipient by going to the President's number.

I know enough about forecasting to know that I am perfectly safe in saying I will take the President's number as to what the premiums will be 7 years from now, because anyone who really thinks we can make a forecast within pennies that is good for 7 years is kidding himself or herself. So I am willing to stipulate that the Medicare debate over numbers is off the table because I am willing to accept the President's numbers as the target numbers rather than the Republican numbers because they are literally pennies apart. There is no point in fighting over it. If that means that I am now redeemed from savaging Medicare, I appreciate the redemption. But what it really means, Madam President, is that the phrase savaging Medicare is a misplaced phrase because the President, himself, has proposed a number that is, as you go over the life of the program, simply pennies away from the number we have been attacked for in these many months.

I would like to talk about the tax cut for the wealthiest among us. One of the most serious problems we face in this country—which we sometimes lose sight of, but occasionally turn to—is the fact that real wages among people who work for salaries and work for wages, who do not have investment income and interest income, have been stagnant for many years. The stagnancy goes back into past administrations. It has not changed under this administration. It is one of the economic problems we face—real wages for what we call ordinary people have been stagnant.

I will confess that I approached the tax cut for children with some concern because I looked at it solely in economic terms, and I said to myself that this particular tax cut is not going to increase the rate of growth in the economy, which is the root problem. There are now economic studies that challenge that conclusion that demonstrate that this tax cut will, in fact, stimulate economic growth. But I will leave that debate for another time.

I will simply raise this point. If, in fact, one of our more serious difficulties is stagnant real wages for ordinary people, and it is a fact that—being the father of six children, I know this one—the biggest impact comes upon those who have kids. They have to worry about clothing them and educating them and taking care of them. What could be a better way of attacking that particular economic problem than saying to those ordinary people, who have children, that we will allow you to keep an extra $500 per year for each one of your children, while we work on this long-term problem of solving our growth difficulties?

The Senator from California was talking about people who are earning $350,000 a year who are going to get $100,000 in tax benefits. My reaction is that they are sure going to have an awful lot of kids if they are going to get $100,000 a year, because the tax break comes at $500 per child. That is going to require more children than I know of anybody having had to get to the full $100,000. We are talking about $500 per child for the man, or the woman, or the couple, who has a child, who is working for wages at $20,000 or $30,000 or $40,000 a year and is having financial problems, because his or her real income has been stagnant for years.

So I have revised my position on the tax cut, as I have looked at it in those terms, and said that this makes sense. It certainly makes a lot more sense than taking that $500 and bringing it to Washington and spending it on some kind of job retraining program in the hope that you can do something about the stagnant real wages of that wage earner. This is not a tax cut for the rich. The statistics demonstrate it. The demagoguery goes the other way. We need to keep our focus elsewhere.

What is this really all about, Madam President? Why are we facing this kind of a crisis here tonight? Some would summarize it by saying the Republicans are willing to risk shutting down the Government in order to get a balanced budget.

The President is willing to risk shutting down the Government in order to prevent a balanced budget.

I prepared to say that and I decided, no, I better go farther than that; that is too glib a summary. This is what I think this is all about. Let us go back to the 1992 campaign. My friend, Senator DORGAN, who is probably going to be recognized next, and I both ran for the Senate in 1992. So did Bill Clinton run for President in 1992. I do not know what the Senator's campaign slogan was, but I know what mine was. It was change.

I had a little trouble with that because somebody said, ''That is Governor Clinton's slogan. He is running on change.'' The woman elected to the second congressional district in Utah, Karen Shepherd, a Democrat, ran on change. We all got elected. President Clinton got elected on change, I got elected on change, and Karen Shepherd got elected on change, Republicans and Democrats, on the wave was change. Then the President put forth his first serious financial proposal. It was a $19 billion stimulus package saying we had to stimulate a sluggish economy by spending $19 billion in an emergency appropriation.

Why do I point that out, Madam President? For this reason: Emergency appropriations do not go through the budget process. Emergency appropriations go directly to the deficit. We have an emergency, we have to bypass the budget process. We stood here on this floor recognizing that the procedure of taking emergency appropriations to bypass the budget and taking care of your political constituency in an emergency appropriations bill was not changed, it was the ultimate example of business as usual in this town.

We Republicans like to say we brilliantly executed a strategy blocking that. As a matter of fact, we stumbled into it. There was not any brilliant strategy. It just kind of happened. Then we discovered something. The American people liked the fact that we blocked the stimulus package which was really business as usual.

So the 1994 election, in my view, turned on this issue and this issue primarily: Which party is really the party of change? The American people had no change—what they wanted. They voted for change in 1992. They felt they did not get it, so they voted for it in 1994.

What are we talking about tonight, Madam President? We are talking about change. We are talking about which party is most dedicated to changing the way the Government works. We are cloaking that debate in conversation about the rate of growth in Medicare, or slashing Medicare if you prefer that rhetoric. We are cloaking that debate in talks about tax cuts for the rich, and then others respond saying it is not for the rich. We can have that debate. What we are really talking about is whether or not the Government is going to fundamentally change the way it does business and the way it keeps its books—the balanced budget amendment, the balanced budget bill, a balanced budget in 7 years.

Let me conclude by telling you Government as usual—and why I think we need change. I have been around this town or observed this town for over 30 years, even though I have been a Senator for only 3 years. I have seen politicians of both parties and of all political stripes—liberals, conservatives, moderates—all stand up and claim their undying allegiance to a balanced budget. When?

It reminds me of the old Wall Street advice by a wise old broker who says, ''When somebody asks you about a stock price, give them a number or give them a date but never give them both.'' Stocks going to double—do not tell them when. Give them a number, give them a date, but never give them both.

That has been Government as usual with balanced budget—Republicans have done it, Ronald Reagan has done it, Democrats have done it, Jimmy Carter did it—give them a number, give them a date, but never give them both. We have to give a date here.

When is the date that the budget will be balanced? It is always in the outyears. That is a phrase that the American people do not understand. The budgeteers tell you outyears means the years out there somewhere in the future. I discovered that outyears means never. The budget is going to be balanced in the outyears. That means never.

What this fight is all about is whether or not we are going to take Government as usual and procedure as usual that promises a balanced budget in the outyears, or whether we will take the first steps this year and in this budget.

President Clinton sent us a budget. It was put on the floor. It was defeated 99 to 0. I hope the people that are guiding the President in these budget negotiations remember that under law he has to send us a budget for fiscal year 1997. His budget for fiscal year 1996 was defeated 99 to 0. He has to send us a budget for fiscal year 1997. If, indeed, what we are proposing is too draconian for fiscal year 1996, and he really does want to get the budget balanced by 1997, he has to be far more draconian in 1997 than the Republicans will be, because we have a head start on him by virtue of what we are willing to undertake in fiscal year 1996. Of course he would prefer 10 years—10 years gives 3 more outyears in which to make his projections.

I think with all the rhetoric that is going on, the real core problem here that is dividing the two parties and that has created the anger and the excitement and the specter of certain portions of the Government being shut down tomorrow is more fundamental than the rhetoric around. It is over the question of where is the Government going, and are we finally going to undertake the hard choices of doing it now rather than giving us the rhetoric of doing it in the outyears.

In conclusion, Madam President, I offer this summary which may be a little irreverent but that I think helps us understand what we are talking about. The Presidency of John F. Kennedy has been summarized in shorthand now by virtue of a comment his wife made after his death when she said his favorite musical was Camelot. She described how she and he would listen to records in the evening as they were falling asleep. They would put a record on it and listen to it, and his favorite musical was Camelot. She said—referring to the Kennedy Presidency from the language of that musical—''Let the word go forth and let it never be forgot that once there was a place that was known as Camelot.'' And that name has stuck.

If I may, with I hope appropriate respect, suggest that for this administration, the musical should not be Camelot but Annie because the hit song in Annie is ''Tomorrow.'' ''Tomorrow, tomorrow, I love you tomorrow, you're always a day away.'' I suggest that this debate is about whether or not we attack the difficulty of balancing the budget today or whether we leave it for the outyears—''Tomorrow, tomorrow, always a day away.''

I side with those that say tomorrow is never going to come. If we are going to deal with the problems of the balanced budget we must deal with it now. We must deal with it here no matter how difficult and problematic it becomes and how angry it makes us. We must step out to that hard choice and deal with it today instead of waiting for the time that is always a day away.

I yield the floor.

Mr. DORGAN addressed the Chair.

(Mr. BENNETT assumed the Chair.)

Mr. DORGAN. Mr. President, I have stayed on the floor for some while because I felt a number of things need to be said in this debate, and the longer I stay the more I regretted having stayed, listening to some of the debate.

I must say the Senator from Utah is, I think, one of the most thoughtful Members of this Senate, and I admire him and respect his views. He has, as he usually does, expressed his views with great respect tonight on the floor of the Senate.

I say to him, however, that his use of the song from Annie is probably an appropriate starting point because the implication of the song that is sung in Annie, ''Tomorrow, tomorrow,'' is the postponement. He says that there is not today, there is always the postponement. Actually, the lyrics of that song are ''The sun will come up tomorrow,'' and so on, and it seems to me that that does represent a kind of a difference here.

If your notion is there is only today, we are only dealing with today, I guess you sometimes forget about the tomorrow—the 5-year-old that will be in first grade next year; the kid who is 3 that might get a chance to go to Head Start next year. Really, the difference in priorities among many of us is to look to tomorrow, look to the future, look to what this country is going to be, in 2 years, 5 years 7 years, 10 years, look about what we will do for our children, what we will do when people reach retirement age, what we will do about those who want an education. Yes, it is really about tomorrow. Let us do what we should do today. Let us meet our responsibilities today and also decide to care about tomorrow, to care about our children, to care about our elderly, and to do the right thing.

You will not hear me in discussing our differences use the terms ''liar,''

''dishonest,'' ''untruthful.'' And I must say, having sat and listened, now, this evening, that this, because of the circumstances of this budget debate and the breakdown of the negotiations and the potential of another shutdown of the Government, is not a proud day in the 104th Congress. I am not proud of the debate I have heard here in the Senate over the last couple of hours, with pejorative terms about motives of others.

It seems to me that we can disagree without being disagreeable with each other. We can talk about fundamental policy differences—Medicare, education, agriculture, veterans, Medicaid and so many others—without deciding that because you are on one side or the other of the debate, you are unworthy or you are not able to think or you are not honest. That is not, in my judgment, debate that advances the interests of the Senate or the interests of this country.

I put my hand on a Bible when I was sworn into the U.S. Senate, and it was one of the proudest days of my life. I did not come here to want to create problems. I came here because I wanted to solve problems. I want this country to be better. I have children who are in school. I want life to be better for those children. I want the world to be safer. I want our schools to be better. I want their job opportunities to be broader. That is what I want to participate in.

We might reach those goals in different ways because we have different philosophies, but I expect most of us want the same thing. The question is, why can we not decide to sit down and reason together without the threats and without the language and without the punitive kind of approach that some here would take; to say: In order for me to win I must make you lose?

I want to talk just a little about the pieces to this puzzle, this issue of a Federal budget. We talk a lot about numbers, and it is true it is a puzzle with pieces that deal with numbers. The question is, How do you make them all fit together? The numbers all represent investments or expenditures for one reason or another. We do not often enough talk about what it is this country has tried to do.

I was on a radio program some while ago. Someone asked me of my heritage, and I explained about my great grandmother Caroline who, with six children, after her husband died, left Saint Paul, MN, and took her children to the prairies of Hettinger County, ND, and pitched a tent. This woman, born in Norway, whose husband died, went to Hettinger County, ND, to pitch a tent, build a house, and build a farm, and raise her kids.

Someone called the radio show and said, ''I wonder what she would have done had there been a welfare program back at the turn of the century? Would she not have been enticed, probably, just to go on welfare?''

I said, Who do you think gave her the 160 acres of land? What do you think the Homestead Act was? Do you think that was the largesse of Chase Manhattan Bank? Do you think it was the Rockefeller Trust that said, ''Here, if you will do this, we will provide you 160 acres of land''? No. It was the Federal Government. It was the Homestead Program that said, ''Here is an incentive for you to do the right thing.''

And this sturdy Norwegian woman—Lord only knows the courage it must have taken to take her children and go to the prairies of North Dakota and pitch a tent and start a farm by herself. This sturdy woman said, ''I am going to do that.'' But it was the Homestead Act that helped her do that as well.

I am proud of a lot of those things. I am enormously proud that we decided to have an REA program that lights up the farms in America. I am proud of the fact that we have a Medicare Program. Over half the senior citizens of this country 35 years ago had no health care at all. Mr. President, 99 percent of them are covered for health care these days. I am proud of that. If someone stands up here and says, ''Why don't you decide to start defending these things?'' To put us—I am not defensive about it. I am proud of what we have done. We have made this a better country because of it.

Do we have to balance the books in this country? Do we have to balance the budget? Of course we do. That is not at odds. Of course we must. The question is how do we do that? How do we do it in the right way that serves this country's interests?

I come to this floor and I hear people stand up all the time and they point a finger at somebody and say, ''You, you are the one. You are the big spender. You are the obstacle. You never want to cut spending.''

The Presiding Officer knows what the business of the Senate is tonight. The business of the Senate is the Defense authorization bill, that is what is on the floor right now. Let us talk just for a second about some of the facts.

You know, you spend money not in some aggregate, hypothetical scheme called a budget debate; you spend money by authorizing it in a Defense authorization bill and an appropriations bill. I just want to show, for those who are interested, what is on the floor tonight: A Defense authorization bill. Mr. President, $7 billion was added to this bill beyond what the Air Force, the Army, the Marines and the Navy said they wanted or needed to defend this country. They said, here is what we need. Here is what we ask you for. Here are the trucks, the ships, the planes, the submarines we need to defend our country.

And then this Congress, this body says, General, Admiral, Mr. Secretary—you are wrong about that. You need $7 billion more. You need 17 more T–39 jet trainers. And we insist you buy them. You need six EA strike aircraft. You need an LHD–7 amphibious ship that costs $1.3 billion, and you need another ship. You did not ask for them, but you also need a second amphibious ship for $900 million. You need six more F–15's that you did not ask for. You need six more F–16 jet fighters that you did not want and we insist you buy them. We want, we insist you order three C–130 cargo aircraft. B–2 bombers? We think you are wrong when you say you do not want B–2 bombers. We want you to buy 20 of them, at $35 billion.

Star wars? We insist you buy it. We increase 100 percent of the funding for star wars, and we demand you begin to build it in 1999. By the way, we want multiple sites and we want it to be space-based.

I could go on at some length. This is a long list of what people who say they want to balance the budget have decided they want to add to this bill. After all, this is a specific bill. This is where you really begin to balance the budget, in day-to-day individual decisions.

In fact, when this bill came to the floor of the Senate, do you know there was a little provision tucked away in it calling to spend $60 million for blimps? Yes, blimps. I went on a short scavenger hunt, asking who would want to buy blimps in the defense budget? Could someone tell me who the blimp is for? Will there be a name on the blimp? Will that identify the author? There were no hearings—$60 million for blimps.

My point is this: The next time someone stands up and points at someone else and says, ''You are the big spender,'' I ask them how did you feel about this? Do you want to balance the budget? Let us start with the first step right now, 10 minutes to 8, let us decide we do not need B–2 bombers the Air Force says it does not want. Let us decide we should not build a star wars program the Secretary of Defense says is unwise to build at this point. This is where budget cutting starts. This is where balancing the budget starts. And the fact is, the folks who are here busting their buttons, bellowing, often the loudest—not everybody bellows, but there are some bellowers—bellowing the loudest about they are the ones who would solve America's problems and balance the budget, are the very ones who come to the floor with this set of priorities.

The Treasury Department did a story about the numbers that I think makes it pretty clear. It says, picture it this way: Spending and taxing priorities in the budget that has been offered and that the President vetoed, take a roomful of people—my hometown was 400 people—a roomful of 400 people. Get them all in the room, and you have a community meeting. You say to them: Here is the way we divide this up in this approach to balancing the budget. We want the 20 percent of you in this room who have the lowest incomes to move all your chairs to this side of the room. And so you get the 20 percent

with the lowest income moved over to this side of the room. And we say: We have news for you. We have to cut the budget. We just have to tighten our belts. We have to cut back. You 20 percent with the lowest incomes, you get 80 percent of the burden of the spending cuts in the budget.

Now, we know that is bad news, so we do not want the entire room to be filled with bad news. We do have some good news. We would like the 20 percent with the highest incomes in this room to move their chairs over to this side of the room, and they do. So the 20 percent with the highest incomes are all sitting on this side of the room. We say: Now, we have some good news for you. You 20 percent with the highest incomes get 80 percent of the tax benefits in this bill.

And that is the problem with the priorities.

I am not here to point fingers but neither am I willing to allow people to stand in the Chamber of the Senate and say it is the Democrats that have misrepresented what the majority party has done.

I wish to hold up a chart that I held up before. It is Kevin Phillips, whom all of you know, a noted author. He is a Republican political analyst. He has been a Republican all of his life. And here is what he says about it. Not me, a Republican, Kevin Phillips, has written:

Spending on Government programs—

He is speaking about the reconciliation bill to balance the budget that the President said was unfair and he vetoed it.

from Medicare and education to home heating oil assistance is to be reduced in ways that principally burden the poor and the middle class, while simultaneously taxes are to be cut in ways that predominantly benefit the top one or two percent of Americans.

That is not me saying that. This is the writing of a Republican political analyst. And frankly, he is right and that is the problem with the priorities. We can do better than that. We can do better than that. The common interest of Republicans and Democrats in the Congress to come together and compromise can produce a result that is more fair to the American people.

We, I think, should solve this problem. There is no reason for there to be a shutdown of Government services tonight. That is a failure by any standard, a failure shared, in my judgment, by both political parties. I do not deny that. But there is not any reason that we ought not have negotiations that reach a result which is good for the future of this country.

Tomorrow, tomorrow, the sun will come up tomorrow. There is a tomorrow. There are people who will experience the joys of being an American tomorrow, hopefully benefit from the fruits of what being an American is—going to good schools, having a nutritious lunch for a low-income child in the middle of the day at a school lunch program or for a 4-year old to be able to show up with hope in their heart because we have a Head Start Program that says you come from a troubled family and you come from circumstances that you were not selecting when you were born; you did not select to be born into poverty, but we are going to give you a head start. We are going to give a head start in life.

I saw 60 of them out here in the Capitol this morning; a group of 60 Head Start kids came in with parents and teachers, and I stopped and talked to them because I love the Head Start Program. It works. We know it works. It works well. It invests in young kids. It invests in the future. And we are saying with the priorities in this Congress that we want to increase star wars by 100 percent; we want to increase the funding for star wars by 100 percent, but we want to say to 55,000 kids, each one of whom has a name and hope in their heart for a better day tomorrow, we do not have room for you in the Head Start Program; we cannot afford you. You have to be told you are going to have to leave the Head Start Program. I am just saying to you that is not the right set of priorities.

Let me in just a final moment come to a specific piece that was raised by others because I think, to be fair to the President, we need to have the agreement that was entered into some 2½ weeks ago put in the RECORD, and I am going to read it because no one who has referenced this agreement has read it out loud. This is a CR commitment to a 7-year balanced budget.

The President and Congress shall enact legislation in the first session of the 104th Congress to achieve a balanced budget not later than fiscal year 2002 as estimated by the Congressional Budget Office. The President and the Congress agree that the balanced budget must protect future generations, ensure Medicare solvency, reform welfare, provide adequate funding for Medicaid, education, agriculture, national defense, veterans and the environment.

Further, the balanced budget shall adopt tax policies to help working families and to stimulate future economic growth.

B. The balanced budget agreement shall be estimated by the Congressional Budget Office based on its most recent current economic and technical assumptions following a thorough consultation and review with the Office of Management and Budget and other Government and private experts.

The balanced budget agreement shall be estimated by the Congressional Budget Office. The President has agreed to that. I agree to that. I believe it should be so. But there is nowhere in this document that suggests that the discussions at this point in the process can or will be scored by CBO because the fact is CBO still has not scored the options that are laying on the table. So you work from a series of options to get to an end point where you reach agreement and that will be scored by the Congressional Budget Office. The President agreed that that is what it will be. But it also is an acknowledgement that it be scored by the Congressional Budget Office after consulting with OMB and other Government and private experts on economic growth, and so on, and also that it will relate to the priorities—Medicare, Medicaid, and others. And those are very important elements. I think to the extent that I have heard this discussed tonight in the Chamber of the Senate it has not been related the way it was just read by me.

And so there is a lot to talk here with respect to what we are doing and where we are. We need to reach an end point, not with games but with honest budgets that deal with priorities that are right for this country's future. Will Rogers once told a story that I thought was interesting. He talked about what his daddy said to him about how to succeed in life. Will said his dad told him to buy stock and then hold it till it goes up and then sell it. And he says, ''If it doesn't go up, don't buy it.''

I thought about it. That is pretty interesting advice, right? There is a lot of that kind of mechanical description of dealings here in the Congress, the so-called guarantees. We see from the majority side interests that they have, legitimate interests. I understand them with respect to balancing the budget. They say to us we want a $250 billion tax cut.

Personally, I think there ought not be a tax cut until the budget is balanced. I think we ought to put it aside and say, let us do the heavy lifting first. Let us honestly balance the budget. When we are done with that, then let us turn to the Tax Code and hopefully cut taxes for middle American families. But the majority party says, no, that is a priority. It is a legitimate thing. I understand that that is their priority. They came to the negotiating table today and said, OK, we have changed our position on tax cuts. We said roughly $245 billion. We are going to come down from that $5 billion.

It seems to me that is not very much movement in terms of negotiating a compromise. The tax cut includes, some will say—and I expect Senators who will speak afterwards will say—a $500 cut for children, knowing, of course, that nearly half of the children in this country will not get any benefit or full benefit of the $500 because they come from poor families and this is not refundable. So a lot of kids are left out of this, of course. But there are a couple other things that are in there that I will not expect anybody to stand up and support tonight because I think they do not want people to understand what is sort of slipped under there just below the surface of the water that nobody really should see. Let me give you an example.

A cut in the alternative minimum tax for the largest corporations in the country that will mean each of 2,000 corporations will receive a $7 million tax reduction. It seems to me when you are short of money for Head Start but you say ''I have money to give 2,000 corporations $7 million each in tax reductions'' is not a right priority.

Another little one, a tiny little issue that I bet no one knows who stuck in—

in fact, about 3 days ago, I asked if anyone in the Senate knew who stuck this provision in. Would they please identify themselves so we could debate the wisdom of it. It is a little provision. I think it is called 956A. I am not sure I have the right number on it, but it is a little provision that makes it more attractive to close your manufacturing plant in the United States and move it overseas.

It deals with investment in passive assets on overseas income that would otherwise be repatriated to the United States. In short, it says, let us make it more attractive to move American jobs overseas. And $244 million is lost by increasing the tax break to corporations who would move their jobs overseas.

I want to know who in this Chamber thinks it is a good idea for us in this bill to decide, or that we ought to encourage even more the movement of American jobs overseas? Anyone? Three days have passed since I asked who wrote it, and no one has been willing to claim credit. It is only $244 million. That is only a quarter of a billion. And some people think that is probably not relevant. But when you come from a town of 400 people, we are talking pretty big money when you talk about $244 million.

I would like to find out who did that, and why, and how do they stand up and claim that one side does not bargain in good faith, but we have a plan that says let us help move jobs overseas, let us help move American jobs out of America. And we are upset that the President vetoed that?

See, I mean, the Senator from Utah, who I have indicated is a thoughtful legislator, I think, said it right. This is not a case where one side is all right and the other side is all wrong. I would like to get to the point where we could recognize there are good ideas on both sides of the political aisle. Let us try to collect the best of both rather than get the worst of each.

Again, I think all of these things we will debate in the coming days again. But my hope is that reasonable people can decide that we ought not shut down the Government tonight. Why should we make the American people pay the price? And that is who will pay the price of the shutdown—furloughed workers will get paid though they will not work—the American people will pay the price of failure here in Congress.

So there is no reason that there ought to be a shutdown of the Government tonight. Those who think they want to let this Government shut down do no service to the American people, in my judgment. And I would say to the majority leader and the minority leader and everyone involved in this—and I have been one of the negotiators for 2½ weeks—we have not, frankly, negotiated very much because people did not want to sit down and go through this.

We should. It is time, I say to all of them, it is time right now. Start on page one and go through it. Let us reach agreement and compromise, balance the budget, do it the right way, protect the right priorities and solve this country's problems.

President Clinton has a veto, and he used it because he said some things are important. We are going to stand and fight for some things. Elderly people who live with very little income and rely on Medicare do not deserve to pay more and get less health care. We want to protect that program. It does not mean there cannot be some cuts. There will be some cuts, but we do not believe you ought to have a quarter of a trillion dollar tax cut in order to make room for the cut in Medicare by a quarter of a trillion dollars. That is not fair. It is not balanced. And it is not the right thing to do.

There is a better way to do it, and I think that reasonable people could sit down and in a very reasonably—I should not say very reasonably—in a short period of time come to a reasonable compromise that protects some of these things that are important for the future of this country.

Mr. President, the Senator from Wisconsin has been extraordinarily patient. I apologize for the length, but I appreciate having the opportunity to address some of these issues on the floor of the Senate. I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, first of all, I would like to thank the Senator from North Dakota for his remarks. I think they very correctly set the tone, the tone that should have been established out here this evening, not the tone that we were treated to earlier in the evening.

These remarks are not directed at the Chair. In fact, the Chair, the Senator from Utah, I thought very politely and effectively made an analogy to a musical, ''Annie,'' and brought the debate back to an exchange of respect in an attempt to point out the differences we have. What I heard earlier on the floor was just rank partisanship. It was very extreme. It was very harsh. It was very personal toward the President of the United States.

When it comes to voting, I think people should do whatever they can to vote their principles, as a rule. Of course, there is such a thing as party loyalty, but you should vote your principles as much as possible. I think the thing that frustrates the American people more than any issue is their belief that this institution is just loaded with partisanship.

You know what I tell them, Mr. President? I tell them that actually the U.S. Senate is not as partisan as it looks on television, that the interpersonal exchanges when the TV cameras are not on are really very civil, most of the time, and that they would be proud of it.

But I think we went over that line tonight, and it troubles me because recently on a couple of occasions I have parted company with my President and my party and voted with the majority party here. This week I was the only Democrat Member of the Senate to vote against my President on the Bosnia action. I voted with mostly Republicans, because I do not think you should just use partisan consideration when you are doing something as significant as sending American men and women to a very dangerous situation in Bosnia.

And more than that, on the issue before us tonight, the budget issue, I was one of only seven Democrats to say, when the Republicans proposed that the budget be balanced within 7 years, I voted, yes, that sounds reasonable. I disagree with the way the Republicans want to do it, but I thought it was reasonable to continue the Government with the agreement that we should balance it within 7 years according to Congressional Budget Office numbers.

So I have been giving the Democrat President some heartache lately. I am sure I am not No. 1 on his Hit Parade, as some people say back home. And I regret it when I have to disagree with him.

But I am very troubled by the personal attacks I heard on the floor tonight toward the President. I remember when I was a young teenager, the Vietnam war was on. My father and I had a strong disagreement about whether the Democratic President, President Johnson, was doing the right thing in Vietnam, and I said some things that were intemperate about the President. My dad said to me, ''Remember, at any one time you only have one President.'' And I have always remembered that as a basic statement about the responsibility of every American, and especially the Members of this body, about the personal way in which you refer to the President of the United States.

The comments that he cannot keep a promise, and the other references seem to me undignified for this great body. In fact, I find it particularly odd that he would be criticized for not keeping a promise when in fact the very issues now that he is being asked to compromise on require him to move away from positions he has taken.

The Senator from Pennsylvania said that the President promised a tax cut, middle-class tax cut, but he broke his promise. In fact, what the majority party is asking for is not simply a middle-class tax cut, but a tax cut that is heavily skewed toward not the middle class, but toward upper income people. So, in effect, he is being criticized for not keeping his promises and at the same time being told to break that promise and spend the money even more so on folks who make more.

The fact is that this President is a doer. You may not like everything he is trying to do; he may change his mind sometimes and try one thing and then try another, but he is not a do nothing. He is a doer. And the people in

my State are pretty positive toward him because they think more than anything else he is trying to solve the problems of this country. So let me put a word in of respect and admiration for that President who I have been forced, out of principle, to disagree with in the last 2 weeks.

I do think some of the points that the Members of the other party made tonight about whether we should use Office of Management and Budget or CBO numbers are important issues. But those can be resolved. I think the American people should know tonight what the real roadblock is here on this budget. There is a real roadblock. And if we are going to have a Government shutdown in less than 4 hours, there is a reason why the Government will shut down. It is the same reason why we had the first shutdown. It is the reason we are going to have this shutdown. It is because there is one priority of the majority party here over everything else, one thing that is more important to them than anything else. It is what the Speaker of the other House has called the crown jewel of the Republican contract.

Now, you may think, given all the rhetoric of the last few weeks, that crown jewel of the Republican contract would have been balancing the budget. But it is not. That is not the crown jewel of the Republican contract. Guess again. You may think it was passing the balanced budget amendment to the Constitution. That is not what has been referred to as the crown jewel of the Republican contract.

Maybe you would have thought it was the flag burning amendment. Given the rhetoric this week on the floor of the Senate about that, you would have thought that would be what had been identified as the crown jewel of the Republican contract. But it was not.

How about the line-item veto? If I had to pick something that was really popular out there in the 1994 elections, and I think was, in fact, one of the issues that drove the Republican victory, it was the desire to give the President the line-item veto.

That cannot be the crown jewel, and I will tell you why. Because the House passed the line-item veto in February and we passed it in March in the Senate and guess what, the Republican leadership of this institution has not seen fit to resolve the differences and send it down to the President. They are just sitting on it. This President could have that line-item veto today and be vetoing stuff that he does not believe in. But that, obviously, is not the crown jewel of the Republican contract.

The crown jewel is a tax cut. The crown jewel is a $245 billion—I guess it is now down to $242 billion—tax cut, 50 percent of which would go to people who make over $100,000 a year. That is the most important priority. Of course, it is completely and directly inconsistent with the priority of trying to balance the budget, which many of the Senators who spoke on the floor tonight would suggest is the real issue here.

The Senator from Pennsylvania said this party, the Democratic Party, does not care about future generations. Does anyone believe that this tax cut is going to future generations? They talk about the $500 per family per kid tax cut. Obviously, as the Senator from North Dakota pointed out, it does not even go to all the families.

This is not going into some kid's bank account. This is not going into a trust fund for their education. I hope the kids back home know that some people are trying to suggest that they are going to get that $500 and they get to spend it or their children get to spend it. It is not for that. The parents can take it and spend it on important family needs, but, if they want, they could go spend it at the casino. This debate isn't about money going to the kids and the grandchildren. It is about a tax cut. Of course, we all would like to be able to vote for a tax cut. Everyone would like to have a tax cut. If the money was not needed here to balance the budget, it would be a great idea, but it is not.

What it really is is an obsession. The majority party here has an obsession with wanting a tax cut at a time when it obviously makes absolutely no sense.

Just before Christmas, it reminds me a little bit of the way they used to do things in the State to the south of us in Chicago. It used to be tradition to hand out a turkey to everybody in the wards, to make sure everybody got a little something around Christmastime to remember who was running the show.

How in the world can handing out a tax cut at this difficult time when we are talking about Medicare cuts and Medicaid cuts and student loan cuts and veterans cuts and agriculture cuts, how can it be a priority to hand out tax cuts, 50 percent of which go to people who make over $100,000 a year?

How do we get to this point? It has taken about a year. The election was held a year ago November 8. The Contract With America called for this tax cut. But I believe that the top priority had to be, given the mood of the electorate and the rhetoric on the floor during the balanced budget debate, that we have to balance the budget first before we have a tax cut. But that is just the opposite of what is being proposed here. This tax cut would go into effect right away, right as the 7-year plan would begin.

I have tried, I was the first Member of the entire U.S. Congress, almost a year ago today, to come out and say we just cannot afford this tax cut. And there are many other Members on the other side of the aisle who have told me personally they do not believe we can afford the tax cut. In fact, at one point, one of them was cosponsoring an amendment with me to eliminate the tax cut. He came over to me and said, ''I'm sorry, I can't stick with you on this anymore. We need our party discipline.''

The party discipline of the majority party here requires that this tax cut be delivered now, even though it flies directly in the face of the presumably principal goal of both parties, which is balancing the budget.

So, Mr. President, the fact is, we can have a balanced budget by the year 2002 without a great deal of difficulty. We can have it today, Mr. President, not tomorrow, as the song from ''Annie'' suggests.

We can have a balanced budget by the year 2002 without going to the extent of a $270 billion Medicare cut.

We can have a balanced budget by the year 2002 without $170 billion in Medicaid cuts.

We can have a balanced budget by the year 2002 without $10 billion taken out of student loans.

We can have a balanced budget by the year 2002 without $8 billion taken out of veterans programs, including health programs.

Mr. President, we can have a balanced budget on or before the year 2002 without shutting down the Government in a few hours. We can have a balanced budget without this acrimony. We can have a balanced budget without this partisanship, but it requires the elimination of this obsession with delivering a tax cut at the same time that you are trying to move right in the opposite direction and when those dollars are needed to balance the budget.

I have the good fortune of having a few more words from the song I quoted. The words, I am told, are:

> When I'm stuck with a day that's gray and lonely, I just stick out my chin and grin and say, The Sun will come out tomorrow, bet your bottom dollar.

That is the question. What will we do with our bottom dollar? Will the bottom dollar be used to balance the budget, or will that same dollar be used to give a tax cut to upper-income people? That is the choice before us, and until the people on both sides drop the tax cut, we cannot use that bottom dollar to achieve what I believe is the shared goal here: Balancing the budget by the year 2002.

Let me conclude, Mr. President, by saying that we can also have a balanced budget without such rancor and without such disrespect for the Chief Executive of this country.

I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I know we can be sitting here and listening and what we are going to hear, I am afraid, starting tonight, which we already heard and probably will for the next couple of days, is a lot of excuses, excuses of why this Government is going to shut down, as I know Senators before me have pointed out, at midnight tonight. Why is this going to happen?

The basic reason, and what we keep hearing is people just want to change the focus, change the direction, put the blame somewhere else, excuse after excuse of why we cannot reach a balanced budget.

The fact of the matter is, the President has not come to the table with a balanced budget. And in fact, the Democratic Party has not come to the table with a balanced budget scored by CBO to balance in 7 years.

The President's budgets have been on the floor of this Senate debated twice—Clinton I, Clinton II. It is too bad we have to start putting numbers to this. Clinton I, Clinton II have been offered on the floor. Not one Democrat voted for it. In fact, it was zero in favor, 99 against.

The budget that was delivered again today that was supposed to be the latest good-faith effort by this administration, called Clinton III, is about the same as what we saw in Clinton I and II, and yet I still cannot, for the life of me, figure out how we can have Senators stand on the floor tonight and defend the budget that they have failed two times previously to even take a vote for.

Now, they talked about $245 billion in tax cuts. Somehow Americans do not deserve to keep some of their own money—money that they get up early in the morning to earn. If you are in my home State of Minnesota, you get up when it is 21 below zero, get out in the cold car and drive to your job, 7 days a week, 5 days a week, 6 days a week, and you make $300, $400, and the Government wants more of it. And somehow, Senators sitting in a warm Chamber here in Washington, DC, somehow do not believe they should be able to keep it.

It was not very hard for these same Senators, in 1993, to vote to increase your taxes by $265 billion—the largest tax increase in history. That was easy for them because they are compassionate with your money—not theirs, your money, the money you get up every day and work hard for and want to provide for your children, your family. But, somehow, they have first dibs, first claim on the money, somehow, that you are out working for. What they want to do is bring it to Washington so they can be compassionate and somehow give it back to you—$245 billion. Then they say, well, if we do not give you this tax cut, we can balance this budget in 7 years without the pain.

I would like to ask taxpayers to look at it in this light: If we do not provide the $245 billion in tax reduction over the next 7 years, where is that money going to go? I have not heard one person on the floor say that if we do not provide this tax cut, we will balance the budget faster. It will still be 7 years. In that respect, what are they saying? They are saying Congress can spend that $245 billion wiser than you can.

In other words, the $12.4 trillion that Congress is going to get its hands on in the next 7 years is not enough. They want that other 1.5 percent from you. They want that other $245 billion so they can spend it. They do not want to save it. They want to spend it. CBO revised their numbers, updating their forecast. They say, ''We believe there will be another $135 billion.'' What is the first fiscal responsibility that we hear? Spend it. Spend it.

The last 3 years of our balanced budget plan calls for deficits totaling $131 billion. If they are really serious, why don't we take that whole $135 billion in new spending and put it directly against the deficit? We can balance this budget in 5 years, not 7, but 5 years, if we want to do that. But I have not heard anybody say that.

They are saying: Let us spend it. On top of the $245 billion, now the President wants to, again, and the Democratic leadership wants to, again, take away from American taxpayers the $135 billion on top of that and spend that as well.

That sends a very clear message: Tax and spend. Tax and spend. That has been the Democratic philosophy for the last 40 years, which has equated into a $5 trillion deficit. They talk about being worried about children. We want to provide for our children. They have names and they have faces. We need to provide. But how do we provide? By robbing the piggy banks of those same children with those names and faces, so we can spend that money today on programs that we think are important?

If our children had the right to vote on this floor—if my four grandchildren could stand on this floor and vote on something that says we are going to encumber your life to the tune of $5.5 trillion, how many votes do you think they would give us? None. None.

I am glad to hear some of the Democrats tonight say they are willing to share the blame for the shutdown of the Government tonight at midnight. They are willing to share the blame. They better have bigger shoulders than that, and they better be able to point to the very person that that blame should be on, and that is the President himself. We hear talk about being partisan, about personal attacks against the President, and that we should have more kindness on the floor.

Well, Mr. President, I am not here to be polite. I am here tonight trying to fight for the taxpayers of Minnesota and this country that sent me here. They say, ''We want to be polite and compassionate, as we have for 40 years, so let us raise taxes.'' That has always been the easy answer.

Let us just look at it. In 1950, 2 percent of your income went to the Federal Government for taxes. So for every $50 you made, $1 went to Washington. It seemed to meet the needs. We were taking care of this country. We paid the debts. In fact, we paid for World War I and World War II. For Social Security, they used to take one-half of 1 percent of your incomes. That is what it used to be. Today, the Federal Government takes 26 percent. So, now, for every $4 you make, you send $1 to Washington. And Social Security has risen to over 15 percent of your income—not a half percent, but 15 percent. For your children, it is going to be 20, 25, and 30 percent, if we do not stop this growth.

So when they are saying, ''This is not fair, these are not American values,'' I would like to know whose values they are talking about. They are not talking about my values or my fairness because I am looking at those names and those faces of the hard-working taxpayers of Minnesota, their children and their grandchildren, and I am saying I am not going to spend their inheritance into the ground so people here in Washington can pound their chest and say: ''Well, I am compassionate, I have taken care of the problem. I have taken your money. Pat me on the back. Let us send out some franked mail to our constituents and say, look what we did for you, look at how good we are for you. By the way, when you look at your check stubs and fill out your taxes next April, blame it on the Republicans.

Well, everybody wants to focus on the tax cut—that $245 billion. Let us focus on the tax cut. Boy, I will tell you, if there were two lines back in my State and one says, ''Line up here to pay $2,000 in Federal taxes, or here to pay $1,000 in Federal taxes,'' I do not think there is going to be a very big decision made. I do not think anybody would be at the $2,000 window.

We all want good Government and good services, but it does not come at any cost. There has to be some fiscal responsibility for the dollars that this Congress takes in and the dollars that this Congress spends. That is where the focus should be, not on the puny, little tax cut of $245 billion over 7 years, when we are spending over $12.5 trillion. They say that we better take that extra 1 percent because you are too dumb to spend it. Oh, I heard we are going to spend it at casinos if we give it to the parents. There is no such thing as a savings account, education, food, clothing, maybe a movie or a pizza; no, that is not in the realm of a smart parent. Oh, your children are not going to get that money; it is going to go to the parents and it will go to the casinos. Well, that is rhetoric, rhetoric, rhetoric.

Let us focus on the spending. How are we spending these dollars? Where are they going? There are two big things. Tax cuts is one thing they focus on, and the other is Medicare. As the Senator from Pennsylvania was saying, they want to pick on the most vulnerable and scare them and scare them. The fact of the matter is that we are very close to what the President has even proposed. When you look back at what Mrs. Clinton said in testimony before one of the committees in Congress, she said that we should hold Medicare spending to between 6 and 7 percent in order to get a handle on the

growth. That does not mean we are not going to provide the services that we need. It is not going to mean Grandma is going to be out of her wheelchair and out in the street. But she said between 6 and 7 percent. Our plan calls for a 7.2-percent growth—from $4,800 this year to nearly $7,200 in 7 years. They know it. They have been written up in the newspapers for demagoging Medicare. They have no shame. They continue to come and talk about it. Then they say we have to be polite and we cannot be partisan.

Personal attacks. I am not attacking individuals, I am attacking policy. This is not the right policy. Fairness, American values. How do you take more from our hard-working people and say you have to send more to Washington because we need this, we have to have more money here?

The fact again is that the President does not have a plan. The Democrats do not have a plan. We have had a balanced budget on the table for months. The President signed a pledge that said before the end of this year he would put a balanced budget on the table for 7 years scored by CBO numbers. We hate to get into calling people liars, but when we do not see the information here, I will let people draw their own conclusions of whether that pledge has been lived up to.

The Republican budget proposal that was put on the table today was different. It was a movement in the other direction. It was trying to find some common ground here. How do you find common ground when you are shadow boxing, when somebody will not come to the table and honestly put on a budget?

Then they talk about no personal attacks. I do not know if people in the gallery or people at home had a chance to watch the news tonight, but the President did not take off his gloves when he came after the Republicans and spewed more of this rhetoric. I cannot understand for the life of me how people can stand on the floor here and defend this type of action.

Talk about defense—defense is declining in actual dollars 20 percent over the next 7 years. It is not going up. Medicare is going up 53 percent; defense is going down 20 percent. Yet, they hang on to this as using this as some kind of example.

Then we have some Senator saying 80 percent of the tax cuts are going to the wealthiest in the country. Then they have others that say 50 percent is going to the wealthiest. When you pull numbers out of the air and make up stories—maybe they should go back and get the stories straight. The fact is, 80 percent of the tax reduction in this package goes to families that make less than $100,000—not $100,000 tax credit for someone making $350,000. It sounds good. It is rhetoric. It might get headlines, but it is not fact. Rhetoric, half-truths, distortions.

I have been the author of the $500-per-child tax credit and I have worked for it for 3 years because I thought it was important that families were able to keep more of the money they made. Families out there expect this. Republicans better remember it and the Democrats should remember it because I think this is going to be one of the telling tales in the election of 1996.

I will wrap up quickly. I see the leader on the floor. Americans know why they voted for Republicans in 1994. Why are there 11 freshman Republicans in the Senate and not 1 Democrat? I think it is pretty clear. There was a clear message. Not one Republican freshman lost his seat in the House. It was pretty clear what Americans wanted. If they listened to the Republican plan, the Contract With America—you might not agree with everything in the contract—I think the majority of people in this country agree with the majority of the contract, and at least it is moving this country away from a bigger, faster growing, bloated, inefficient, money-wasting Government, to try to streamline it to make it more effective, more cost friendly for taxpayers, and to provide the better services, to provide the Medicare, to provide the welfare, to provide Medicaid, Head Start, and other programs to the kids that need it, but to also ensure that those programs are going to be here tomorrow and the next day, and the next year and the next year.

If we are going to spend their money today, if you think we are facing tough budget battles today, if we do not face this problem today, by the year 2000 this is going to be an animal that we will not want to grab the tail of because it is getting away from us now and we do not have much time to get it fixed. If we spend more money and increase the size of this Government, it will make that problem harder and harder to control. I yield the floor.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I thank the Senator from Minnesota for his statement. Let me indicate that we will be in session tomorrow by 11 o'clock. I do not believe there will be any votes tomorrow, but I am not certain. I cannot promise anyone. We will have meetings tomorrow morning on welfare reform on the conference report. There will be a meeting tomorrow morning on the D.C. appropriations bill. There will be debate tomorrow on the Labor-HHS appropriations bill, and we will again hopefully maybe get consent tomorrow to move to take that bill up. If that is the case, we could be considering amendments that might bring about some votes.

We will probably have to be in session late Sunday afternoon in the event there should be a CR come over from the House. That may or may not happen. It depends on whether we get back into serious discussions on the balanced budget. If that happens, I assume the House would send us a 1- or 2-day continuing resolution. That would take us through Monday or Tuesday.

I just say to my colleagues, I do not anticipate votes, but if votes should occur we will try to work out a way to give ample notice. It is pretty hard if you are on the west coast or somewhere in the western part of the United States to get back very quickly. We will try to figure out some way not to disadvantage anyone.

Let me say before I conclude, I will ask Senator BOXER have whatever time she may need when I finish.

Are we in morning business?

The PRESIDING OFFICER. The Senate is considering the motion to proceed to the appropriations.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask there now be a period for the transaction of routine morning business with Senators not to exceed 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO ANDREW CHASE

Mr. DOLE. Mr. President, I know all Senators join with me in paying tribute to Andrew Chase, who will soon be retiring from the Senate.

Andrew began his Senate career July 28, 1975, as an employee of the Sergeant at Arms' custodial service operation. In 1981, Andrew was promoted to assistant supervisor of Custodial Services and served in that position until 1988, when he accepted the position of night shift foreman for the environmental service operation.

Now, after more than 20 years of service to the Senate, Andrew is retiring to spend time with his wife, Brenda, and his remarkable family—14 children, 25 grandchildren, and 3 great grandchildren.

Andrew is also very involved in his community of Brandywine, MD, serving as president of the usher board at the Asbury United Methodist Church, and as a volunteer with the Kidney Foundation, where he visits and educates dialysis patients on kidney transplants.

On behalf of the Senate, I extend our thanks to Andrew Chase, and our best wishes for a long and happy retirement.

TRIBUTE TO DARNELL CLARENCE JACOBS, SR.

Mr. DOLE. Mr. President, I rise today to pay tribute to Darnell Clarence Jacobs, Sr., who will soon retire from the Senate after nearly 30 years of outstanding service.

''Jake,'' as he is known to his family and friends, began his Senate career in March 1966, as an employee of the Sergeant at Arms' custodial service operation.

In 1981, Jake was promoted to supervisor of custodial services, and served in that position until 1988, when he accepted a position working in the Senate Chambers.

Jake has been a dedicated and valuable member of the Senate family, and we wish him well as he retires to spend more time with his family—his wife Jacqueline, and his three sons, Jeman, Derrick, and Darnell, Jr.

I know all Members of the Senate join me in thanking Jake for his service, and in wishing him many more years of health and happiness.

NEW STUDY SUPPORTS LEGAL IMMIGRATION

Mr. KENNEDY. Mr. President, earlier this week, a new study was released which highlights the many benefits that immigrants bring to the United States, It is vitally important that we be aware of the contributions of immigrants to the American economy, to American families, and to American communities as we debate the very difficult issue of immigration reform.

The study was published by the National Immigration Forum and the Cato Institute with support from a wide array of business, civil rights, Hispanic, and religious organizations. It was conducted by Prof. Julian Simon of the University of Maryland, who has published a number of works or immigration over the years.

This study joins the impressive group of other important studies which demonstrate that legal immigration is not a source of major problems for our country. In fact, it brings significant benefits to the Nation.

I ask unanimous consent that the executive summary of the study and its opening chapter be printed in the RECORD, along with an article about the study which appeared in the Los Angeles Times.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IMMIGRATION: THE DEMOGRAPHIC AND ECONOMIC FACTS

(By Julian L. Simon)

EXECUTIVE SUMMARY

The following facts emerge from the data and material examined in this volume:

The rate of U.S. immigration in the 1990s is about one-third the rate of immigration at the beginning of the century. The total number of immigrants—including illegals—is about the same as or less than the number then, though the country's population has more than doubled.

The foreign-born population of the United States is 8.5 percent of the total population, which is significantly lower than the proportion—13 percent of higher—during the period from 1860 to 1930.

Immigrants do not increase the rate of unemployment among native Americans, even among minority, female, and low-skill workers. The effect of immigration on wages is negative for some of these special groups and positive for others, but the overall effects are small.

Total per capita government expenditures on immigrants are much lower than those for natives, no matter how immigrants are classified. Narrowly defined welfare expenditures for immigrants are slightly more than for natives, but this has been true in the past, too. These welfare expenditures are only small fractions of total government expenditures on immigrants and natives. Schooling costs and payments to the elderly are the bulk of government expenditures; natives use more of these programs, especially Social Security and Medicare.

The educational levels of immigrants have been increasing from decade to decade. No major shifts in educational levels of immigrants relative to natives are apparent.

Natural resources and the environment are not at risk from immigration. As population size and average income have increased in the United States, the supplies of natural resources and the cleanliness of the environment have improved rather that deteriorated. Immigration increases the base of technical knowledge. That speeds the current positive trends in both greater availability of natural resources and cleaner air and water.

1. SUMMARY OF IMPORTANT FACTS ABOUT IMMIGRATION

These are the most important demographic and economic facts pertaining to policy decisions about the numbers of immigrants that will be admitted by law into the United States:

The Quantities of Immigration

The total number of immigrants per year (including illegal immigrants and refugees) now adays is somewhat less than it was in the peak years at the beginning of the 20th century when U.S. population was less than half as large as it now is.

The rate of immigration relative to population size now is low rather than high. Immigration as a proportion of population is about a third of what it was in the peak years.

The foreign-born population of the United States is 8.5 percent of the total population (as of 1990). The proportions in the United States during the period from before 1850 to 1940 were higher—always above 13 percent during the entire period from 1860 to 1930—and the proportions since the 1940s were lower. The present proportion—8.5 percent—also may be compared to the 1990s' proportions of 22.7 percent in Australia; 16 percent in Canada; 6.3 percent in France; 7.3 percent in Germany; 3.9 percent in Great Britain; and 5.7 percent in Sweden.

Though the volume of illegal immigration is inherently difficult to estimate, a solid body of research, using a variety of ingenious methods, has now arrived at a consensus: the number of illegals in the United States is perhaps 3.2 million, pushed downward by the amnesty of 1987–1988, not very different from a decade before. Many of these persons are transitory. The million-plus persons who registered for the amnesty verify that the total was and is nowhere near the estimates that often have been given in public discussion.

The rate of illegal immigration is agreed by all experts to be about 250,000 to 300,000 per year.

More than half of illegal aliens enter legally and overstay their visas and permits. ''Less than half of illegal immigrants cross the nation's borders clandestinely. The majority enter legally and overstay their visas'' (Fix and Passel 1994, 4).

The Economic Characteristics of Immigrants

New immigrants are more concentrated than are natives in the youthful labor-force ages when people contribute more to the public coffer than they draw from it; natives are more concentrated in the childhood and elderly periods of economic dependence when the net flows are from the public to the individual. Of all the facts about immigration relevant to its economic effects, this is the most important, and the one which is most consistent in all countries, in all decades and centuries.

Taken altogether, immigrants on average have perhaps a year less education than natives—much the same relationship as has been observed back to the 19th century.

The average education of new immigrants has been increasing with each successive cohort. The proportion of adult immigrants with 8 or fewer years of education has been trending downward, and the proportion of adult immigrants with 16 or more years of education has been trending upward.

The proportion of adult new immigrants with eight or fewer years of education is much higher than the proportion of adult natives.

The proportion of immigrants with bachelor's or postgraduate degrees is higher than the proportion of the native labor force.

Immigrants have increased markedly as a proportion of members of the scientific and engineering labor force (especially at the highest level of education). Immigrants also have increased rapidly as proportions of the pools of U.S. scientists and engineers. Scientific professionals are especially valuable for promoting the increased productivity and growth of the economy.

Immigrants, even those from countries that are much poorer and have lower average life expectancies than the United States, are healthier than U.S. natives of the same age and sex. New immigrants have better records with respect to infant mortality and health than do U.S. natives and immigrants who have been in the United States longer.

New immigrants are unusually mobile geographically and occupationally, in large part because of their youth. Such mobility increases the flexibility of the economy and mitigates tight labor markets.

First-and second-generation immigrant children do unusually well in school. They win an astonishingly high proportion of scholastic prizes.

The Effects of Immigrants in the Labor Market

Immigrants do not cause native unemployment, even among low-paid or minority groups. A spate of respected recent studies, using a variety of methods, agrees that ''there is no empirical evidence documenting that the displacement effect [of natives from jobs] is numerically important'' (Borjas 1990, 92). The explanation is that new entrants not only take jobs, they make jobs. The jobs they create with their purchasing power, and with the new businesses which they start, are at least as numerous as the jobs which immigrants fill.

Re wage effects, one recent summary concludes, ''Immigration has no discernible effect on wages overall. . . . Wage growth and decline appear to be unrelated to immigration—a finding that holds for both unskilled and skilled workers'' (Fix and Passel 1994, 48). My interpretation of the literature is slightly different: a minor negative effect.

Welfare Use and Taxes Paid

Immigrants who enter legally through regular quotas are not permitted to receive public assistance for three years, and they may be deported if they obtain such assistance (though few are). Refugees, however, are entitled to such assistance immediately upon entry, which (together with their needy circumstances) accounts for their high rate of welfare use soon after arrival.

Re the use by immigrants of welfare services including food stamps, Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and Medicaid: these expenditures are the tail that wags the dog in policy discussions. Expenditures called ''welfare'' now comprise about $404 per person annually for immigrants and about $260 for natives. Total government social outlays are roughly $3,800 for natives.

Because of the public interest in the set of welfare services that includes food stamps, AFDC, SSI, and Medicaid, the data on this cluster of welfare programs are presented here, but only for completeness. By themselves they do not provide the basis for any conclusions about overall transfer-payment receipt by various cohorts of immigrants and natives, because these calculations do not include most payments to the native elderly.

Foreign-born persons taken altogether have perhaps a 10 to 20 percent higher probability of obtaining these welfare services than do natives. They average perhaps 30 percent higher average receipts per capita than do natives.

There may have been a small increase in the use of these programs from pre-1970 to post 1970 entrants and from immigrants arriving between 1970 and 1986 to those entering between 1987 and 1990, but the evidence is mixed.

If refugees are excluded from the assessment, and only nonrefugees are considered, the rate of welfare use for new immigrants who entered between 1980 and 1990 is considerably below the rate for natives ages 15 and above.

Among foreign-born persons 65 years of age or more, a greater (and growing) proportion receive welfare (mainly SSI) than among natives. This is due to the arrival of many immigrants too late to accumulate enough work time to earn Social Security benefits; the welfare is a substitute for Social Security.

Social Security and Medicare are by far the most expensive transfer payments made by the government. These payments go almost completely to natives. This is because immigrants typically arrive when they are young and healthy, and also because older recent immigrants do not qualify for Social Security for many years after their arrival.

Social Security and Medicare are by far the most expensive transfer payments by the government. The cost of supporting elderly natives is vastly greater than for immigrants. This is because immigrants typically arrive when they are young and healthy, and the appropriate life-time analysis shows that this provides a large windfall to the national treasury. (Current data alone also show a similar effect because of the contemporary age distribution of the immigrant population). Also, older recent immigrants do not qualify for Social Security for many years after arrival.

As of the 1970s, immigrant families in all cohorts within several decades clearly paid more taxes on average than native families. However, the mean earnings of all new immigrant men were smaller relative to adult natives 25 to 64 in the 1980s than in the previous decade. The mean earnings of immigrant men who entered in the 1970s were smaller relative to adult natives 25 to 64 in the 1980s than the similar comparison for the previous decade. This continues a trend from men who entered in the 1960s. This implies that the size of tax contributions by recent cohorts of immigrants relative to those of natives has diminished in recent decades.

When immigrants are subclassified by legal category of entrance, the picture is quite different from that for immigrants taken altogether. In an analysis of the 1990 census, where the average household income (different from the earnings concept referred to in the paragraph above) for natives was $37,300, 1980–1990 immigrants from countries from which most of the immigration is legal received $34,800 (that is, 91 percent of natives' household income), the average for those from countries sending mostly refugees to the United States was $27,700, and for those from countries sending illegals $23,900. (No information is now available on whether the picture was the same or different in earlier decades.) These data on recent legal immigrants are the relevant data for policymaking in legal immigration.

As of the 1970s, immigrants contributed more to the public coffers in taxes than they drew out in welfare services. The most recent available data (for 1975) show that each year, an average immigrant family put about $2,500 (1995 dollars) into the pockets of natives from this excess of taxes over public costs.

The possible changes over time in earnings in the various immigrant cohorts cast some doubt on the present-value calculation for earlier years concluding that immigrants make net contributions to the public coffers; a different sort of calculation may be needed for which data are not available.

Illegal aliens contribute about as much to the public coffers in taxes as they receive in benefits. New data suggest that the undocumented pay about 46 percent as much in taxes as do natives, but use about 45 percent as much in services.

Immigrants, the Environment, and Natural Resources

Natural resources and the environment are not at risk from immigration; rather, in the long run, resources increase and the environment improves due to immigration. The long-term trends show that U.S. air and water are getting cleaner rather than dirtier, and world supplies of natural resources are becoming more available rather than exhausted. Immigration increases the technical knowledge that speeds these benign trends.

Public Opinion about Immigrants and Immigration

The most recent polls of U.S. residents' opinions show that most persons want less immigration. This is consistent with the consensus of all polls since the first such surveys in the 1940s. There does not seem to be a long-run trend in public opinion opposing immigration.

A poll of the most respected economists found a consensus that both legal and illegal immigrants are beneficial economically.

No data are presented in this pamphlet concerning racial or ethnic composition or the country of origin of immigrants because these characteristics are not relevant for any policy decisions that are related to the economic consequences of immigration.

[From the Los Angeles Times, Dec. 11, 1995]

STUDY PAINTS A POSITIVE PICTURE OF IMMIGRATION

COSTS: BOTH LEGAL AND ILLEGAL IMMIGRANTS USE FEWER GOVERNMENT RESOURCES THAN NATIVE-BORN CITIZENS, REPORT SAYS.

(By James Bornemeier)

WASHINGTON.—A new study on the effects of immigration finds that total per capita government expenditures are much lower for immigrants—legal and illegal—than for native-born citizens.

The report also paints an upbeat picture of immigrants' educational achievements and asserts that the nation's natural resources and environment are unaffected by the influx of immigrants.

''As of the 1970s, immigrants contributed more to the public coffers in taxes than they drew out in welfare services,'' the report says. ''The most recent data * * * show that each year an average immigrant family puts about $2,500 into the pockets of natives from this excess of taxes over public costs.''

The study, to be issued this morning in Washington by the National Immigration Forum, an immigration-advocacy group, and the Cato Institute, a conservative think tank, comes at a time when Congress is wrestling with major immigration bills and public opinion is increasingly negative on immigration issues.

Legislation is progressing in both houses of Congress to clamp down on illegal immigration and—to the dismay of many immigration advocates—restrict entry of legal immigrants as well.

The issue has split Republicans, some of whom see the free flow of legal immigrants as an economic boon to the country. Immigrant-rights groups say the political activism to stem illegal immigration has unfairly led to the limitations on legal immigrants.

But groups pushing for stronger restrictions on immigration branded the report, authored by University of Maryland professor Julian L. Simon, as biased.

''Julian Simon is not a liar,'' said Dan Stein, executive director of the Federation for American Immigration Reform, ''but he gets as close as anyone can be to one. He is intentionally deceptive, manipulative and grossly in error.'' Signifying the sensitivity of the issue, more than 20 interest groups and think thanks have signed on to the report, and they span the political spectrum—from the immigrant-rights group, the National Council of La Raza, to the Progress and Freedom Foundation, an organization closely associated with House Speaker Newt Gingrich.

House Majority Leader Dick Armey, a strong supporter of legal immigration, is scheduled to address the Capitol press conference where the report is to be released today.

Among the report's most controversial findings is Simon's conclusion that government expenditures are lower for immigrants than for native-born Americans.

According to the report, the average immigrant family receive $1,404 in welfare services in its first five years in the country. Nativeborn families averaged $2,279, Simon writes. The report makes these other points:

- The number of illegal immigrants in the United States—estimated at 3.2 million—is not very different from a decade before.
- More than half of illegal immigrants enter legally and overstay their visas; less than half enter clandestinely.
- New immigrants are more concentrated than native-born citizens in the youthful labor force ages when people contribute more to the public coffers than they draw out.
- Immigrants on average have a year less education than natives—about the same relationship as has been observed back to the 19th century.

Such optimistic findings collide with the views of other researchers.

''His numbers are conventional and unremarkable,'' said Mark Krikorian of the Center for Immigration Studies in Washington. ''The question is what sort of spin Julian puts on them. He has his bias, and the bias has a very significant influence on the interpretation he has put on the facts.''

As an example, Simon says the number of immigrant high school dropouts has been declining. For example, Krikorian said, Simon reports that the number of immigrant high school dropouts has been declining.

''But what he doesn't mention,'' said Krikorian, ''is the gap between the percentage of American high school dropouts and the percentage of immigrant high school dropouts is widening. It's pretty obvious that the education gap in increasing. By not addressing [that] he makes his document an advocacy document.''

STUDENT LOANS

Mr. COATS. Mr. President, I would like to clarify the remarks I made on

the floor earlier today with respect to the size of the direct loan program. The Federal Direct Student Loan Program was originally authorized to administer 5 percent of total loan volume as a demonstration program. In 1993–94, the first year of the Direct Lending Program, the Department of Education was authorized to administer 5 percent of total loan volume. The Balanced Budget Act of 1995 imposes a 10-percent cap on direct loans, and ensures that all schools who participated in the first year of the program will continue to serve as the demonstration group, thereby allowing a proper test to take place.

I would also like to be very clear about the impact of the proposed 10-percent cap: a 10-percent cap on direct loans will in no way affect any student's ability to receive a student loan. The law requires that the eligibility requirements for both loan programs be identical, and therefore a 10-percent cap on direct loans will not limit any student's ability to receive the loans they need to attend college. The administration continues to try to frighten students and their families by implying that a cap on direct lending will limit student loans, but this is simply not the case: a cap on direct lending only affects how the loans are delivered—it does not affect loan access or availability.

THE SENIOR CITIZENS' FREEDOM TO WORK ACT OF 1995

Mr. ROTH. Mr. President, yesterday the Finance Committee reported out S. 1470 with technical changes. The committee will not file a written report. For the benefit of my colleagues, the following is a synopsis of the bill's provisions.

The Social Security retirement earnings limit for senior citizens age 65 to 69 is gradually increased from the 1995 level of $11,280 to $30,000 by the year 2002. The cost of the retirement earnings limit proposal is offset by the following reforms: Drug addicts and alcoholics will no longer qualify for SSI and SSDI disability benefits solely by reason of their addiction; and stepchildren will no longer qualify for Social Security dependents' benefits unless their stepparent provides at least 50 percent of the stepchild's support; such benefits will terminate the month following the divorce.

A new revolving fund is created within the SSDI Trust Fund to provide a stable source of funds for the Social Security Administration to conduct continuing disability reviews of SSDI recipients.

The legislation clarifies that the Secretary of the Treasury and other Federal officials are not authorized to underinvest and/or disinvest Social Security and Medicare funds in Federal securities or obligations in order to avoid the limitations on the public debt.

Mr. President, I ask unanimous consent that the synopsis of S. 1470 be printed in the RECORD, together with a letter from John D. Hawke, Under Secretary of the Treasury.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF PROPOSALS

1. Increase to Social Security retirement earnings limitation

Present Law

Senior citizens age 70 and older receive full Social Security benefits regardless of the amount of earnings they have from wages or self employment.

Senior citizens age 65 to 69 receive full Social Security benefits only if their wages or self-employment income are lower than a retirement earnings limit. The earnings limit is increased annually based on the rate of average wage growth. The estimated limitation amounts under present law for 1995 and the following seven years are:

Year	*Present Law*
1995	$11,280
1996	11,520
1997	11,880
1998	12,240
1999	12,270
2000	13,200
2001	13,800
2002	24,400

Senior citizens age 65 to 69 who earn more than the limit for a year lose $1 in Social Security benefits for every $3 in wages or self-employment income they earn over the limitation amount.

Reason for Change

According to the Social Security Administration, 925,000 beneficiaries between age 65 and 69 lose some or all of their benefits as a result of the earnings limit. Given the combined effects of Federal, State and local income taxes, Social Security payroll taxes, income taxes on benefits, and the earnings limit, senior citizens who earn even moderate amounts over the limit may realize very little financial gain from their labor. These rates are a disincentive to work and penalize retirees who often need to work out of economic need.

Proposed Change

The retirement earnings limit for workers age 65 to 69 is gradually raised to $30,000 by the year 2002 as follows;

Year	*Proposed*
1996	$14,000
1997	15,000
1998	16,000
1999	17,000
2000	18,000
2001	25,000
2002	30,000

After 2002, the limitation amount will increase annually based on the rate of average wage growth.

Senior citizens age 65 to 69 who have wages or self-employment income in excess of the earnings limit continue to lose $1 in Social Security benefits for every $3 earned over the limit.

The substantial gainful activity (SGA) amount used in determining whether an individual under age 65 is eligible for disability benefits on the basis of blindness is not changed. Therefore, it will no longer equal the Social Security retirement earnings limit for senior citizens age 65 to 69. The SGA amount for blind individuals under age 65 will continue at the present law amount ($11,280 for 1995— and will continue to be wage-indexed in future years.

Effective Date

The proposal, phased in gradually over 7 years, would be effective beginning in 1996.

2. Denial of disability benefits to drug addicts and alcoholics

Present Law

Individuals whose drug addition or alcoholism is a contributing factor material to their disability may receive cash disability benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program through a representative payee for up to three years. These recipients must participate in an approved treatment program when available, and must allow their participation in a treatment program to be monitored. Cash benefits (SSDI or SSI)) end after 36 months, although medical benefits (Medicare or Medicaid) continue if an individual remains disabled by drug addiction or alcoholism.

Reason for Change

The Committee is concerned that the current policy of paying cash Social Security and SSI disability benefits to individuals whose sole severe disabling condition is drug addiction or alcoholism is false compassion and only helps those individuals sustain his/her addiction. Treatment is needed instead. The legislation diverts part of the savings to additional Federal funding to States for drug and alcohol treatment, providing an incentive for States to provide treatment to former recipients.

Proposed Change

The proposal would end entitlement to SSDI and SSI disability benefits if drug addiction or alcoholism is the contributing factor material to the individual's disability. Individuals with drug addiction and/or alcoholism who have another severe disabling condition can qualify for benefits based on that disabling condition.

If a person qualifying for disability benefits based on another disability is also determined to be an alcoholic or drug addict and unable to manage their benefits, a representative payee would be appointed to receive and handle the individual's checks. In the case of any individual whose benefits are paid through a representative payee, the Commissioner of Social Security shall refer that individual to the appropriate State agency for substance abuse treatment services approved under the Public Health Service Act Substance Abuse Prevention and Treatment Block Grant.

For each of fiscal years 1997 and 1998, $50 million will be available to fund additional treatment programs and services through Substance Abuse Prevention and Treatment Block Grant.

Effective Date

Generally, changes apply to benefits for months beginning on or after the date of enactment. However, an individual entitled to benefits before the month of enactment would continue to be eligible for benefits until January 1, 1997. The Commissioner of Social Security must notify such individuals within three months of the date of enactment. The Committee's intent in providing this partial grandfather is to allow current beneficiaries to complete treatment and to allow the Social Security Administration to determine in an orderly fashion if such individuals are disabled by another condition.

Those who wish to reapply for benefits must do so within four months after the date of enactment in order to qualify for priority redetermination of eligibility. The Commissioner must make these determinations within one year after the date of enactment for individuals who reapply.

In addition, in the case of an individual with an alcoholism or drug addiction condition who is entitled to Social Security or SSI disability benefits on the date of enactment, the representative payee and referral

to treatment requirement will apply on or after the first continuing disability review occurring after enactment.

3. Entitlement of stepchildren to Social Security dependent benefits

Present Law

Generally a child, including a stepchild, under age 18 (or under age 19 in the case of an individual attending elementary or secondary school full-time) may be entitled to receive Social Security benefits as the dependent child of a worker when the worker retires, becomes disabled, or dies.

A stepchild is deemed dependent on a stepparent if he/she lives with the stepparent or receives one-half of his/her support from the stepparent. Social Security dependent benefits continue to be paid to a stepchild after the child's natural parent and the stepparent divorce. Continuation of those benefits after divorce may reduce the amount available for payment to other children entitled to receive Social Security Dependent benefits based on the worker's record.

Reason for Change

Under current law children who are entitled on a worker's record may be unnecessarily penalized by the entitlement of a stepchild who has other means of support. This change would result in the payment of benefits only to stepchildren who are truly dependent on the stepparent for their support, and only as long as the natural parent and stepparent are married.

Proposed Change

Social Security dependents' benefits are payable to a stepchild only when the stepparent provides at least 50 percent of the stepchild's support upon application for benefits. A stepchild is eligible for survivors' benefits upon the death of a stepparent if the stepparent provided at least 50 percent of the stepchild's support immediately preceding death.

In addition, a stepchild's Social Security benefits based on the work record of his/her stepparent are terminated the month following the divorce of the child's natural parent and stepparent. The stepparent must also notify the Social Security Administration of the divorce and the Social Security Administration is required to notify annually those potentially affected by this provision.

Effective Date

The proposal is generally effective three months after date of enactment for new entitlement of stepchildren to benefits and for divorces finalized after that period.

4. SSDI revolving fund for continuing disability reviews

Present Law

The administrative costs of conducting continuing disability reviews (CDRs) of individuals receiving Social Security disability benefits are provided through an appropriation of trust fund monies, and are considered discretionary spending subject to the domestic discretionary spending cap of the Budget Enforcement Act.

Reason for Change

Limited administrative resources have prevented the Social Security Administration from keeping up with CDRs, which estimates that for every $1 spent conducting CDRs, $6 are saved in benefits that would otherwise be paid to individuals who are no longer disabled. The Social Security Administration estimates that the failure to perform timely CDRs between 1990 and 1995 will cost the SSDI Trust Fund $2.3 billion by 1999. The proposed revolving fund would be a source of non-appropriated administrative resources to finance CDRs, enabling SSA to perform this essential program-integrity work.

Proposed Change

A revolving fund is established in the Social Security Disability Insurance (SSDI) Trust Fund as a source of non-appropriated administrative funds to finance Social Security CDRs. At the start of each fiscal year, the revolving fund will be credited with an amount equal to the estimated present value of savings to the SSDI and Medicare trust funds achieved as a result of CDRs of beneficiaries conducted in the prior fiscal year—except for the first year, during which $300 million will be credited. These amounts will be calculated by the Social Security Administration's Chief Actuary, with appropriate adjustments made annually in subsequent years. Amounts credited to the revolving fund are available for all expenditures related to conducting CDRs by the Social Security Administration and appropriate State agencies.

In addition, the position of Chief Actuary in the Social Security Administration is established in law.

Effective Date

The revolving fund is effective for fiscal years beginning after September 30, 1995, and sunsets September 30, 2005.

5. Protection of Social Security and Medicare trust funds

Present Law

The various authorizing statutes of the major Federal trust funds require that any program income not needed to meet current expenditures be invested in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. The vast majority of these securities are ''special issue'' non-marketable obligations of the United States. Virtually the entire amount of securities held by the Federal trust funds is considered Federal debt subject to the statutory debt limit.

Reason for Change

Since late October, the total amount of the public debt obligations has been very close to the public debt limit. This has given rise to concerns that the Social Security and Medicare Trust Funds might be under invested or disinvested for debt management purposes. While the Administration has stated that it would not take such action, the Committee concluded that it was desirable to make clear in law that these funds could not be used for debt management purposes. In clarifying this, the Committee does not intend that the legislation authorize conduct in contravention of any other applicable provision of law, such as the public debt limit.

The Committee seeks to assure that, to the maximum extent possible under the statutory debt limit, the Secretary of the Treasury and other Federal officials shall invest and disinvest Social Security and Medicare trust funds solely for the purposes of accounting for the income and disbursements of these programs. The Committee further intends that the investments of the trust funds are made timely, in accordance with the normal investment practices of the Treasury, and are not drawn down prematurely for the purposes of avoiding limitations on the public debt or to make room under the statutory debt limit for the Secretary of the Treasury to issue new debt obligations in order to cover other expenditures of the Government.

Proposed Change

The legislation codifies Congress' understanding of present law that the Secretary of the Treasury and other Federal officials are not authorized to use Social Security and Medicare funds for debt management purposes. Specifically, the Secretary of the Treasury and other Federal officials are required not to delay or otherwise underinvest incoming receipts to the Social Security and Medicare trust funds. They are also required not to sell, redeem or otherwise disinvest securities, obligations or other assets of these trust funds except when necessary to provide for the payment of benefits and administrative expenses of the cash benefit programs. The Committee intends that these requirements be carried out to the maximum extent possible under the statutory debt limit. The legislation applies to the following trust funds:

1. Federal Old-Age and Survivors Insurance (OASI) Trust Fund;
2. Federal Disability Insurance (DI) Trust Fund;
3. Federal Hospital Insurance (HI) Trust Fund; and
4. Federal Supplementary Medical Insurance (SMI) Trust Fund.

Effective Date

The proposal is effective upon date of enactment.

BUDGET EFFECTS OF THE BILL

According to preliminary estimates of the Congressional Budget office, the legislation will reduce mandatory spending by $200 million over seven years (FY 1996–2002) and by $2.7 billion over ten years (FY 1996–2005).

MISCELLANEOUS

Attached is a letter from John D. Hawke, Jr., Under Secretary of the Treasury for Domestic Finance, providing comments on the proposal to protect the Social Security and Medicare trust funds as originally introduced. The legislation reported by the Committee includes a modification of this proposal to address these concerns.

DEPARTMENT OF THE TREASURY,
Washington, DC, December 15, 1995.

Hon. WILLIAM V. ROTH, JR.
Chairman, Senate Finance Committee
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Our comments have been requested with respect to the provisions of Section 6 of S. 1470, the ''Senior Citizens' Freedom to Work Act of 1995.'' This section of the bill is intended to provide protections to the Social Security and Medicare trust funds at times when the public debt limit might otherwise cause certain adverse consequences with respect to those funds.

The Administration shares the objective of protecting the beneficiaries of these funds. As you know, both the President and the Secretary of the Treasury have stated that the Secretary has no authority to redeem securities from the Social Security fund for any purpose other than to assure the payment of benefits. The same principle would apply as well to the other 178 trust funds that are not subject to the Secretary's express debt management powers.

Section 6 would do the following:

It would require that all revenues received or held by these funds be invested in public debt obligations, ''notwithstanding any other provision of law.'' Thus, it would effectively create an exception to the debt limit to permit the investment of incoming receipts of these funds.

It would forbid the ''disinvestment''—that is, the redemption prior to maturity—of securities held by the funds if a purpose thereof were ''to reduce the amount of outstanding public debt obligations.''

It would allow Treasury to disinvest the funds and to issue corresponding new public debt, ''notwithstanding the public debt limit,'' to the extent necessary to raise cash to pay benefits to fund beneficiaries.

The provision of Section 6 would, however, have serious adverse consequences, and would present certain practical problems

that could frustrate or impede the realization of its objectives:

First, the continued investment of new fund receipts, notwithstanding the debt limit, would cause outstanding Treasury debt to exceed the debt limit in an ever increasing amount. This would prohibit Treasury from issuing any other new Treasury debt. Even the rollover of maturing debt would be precluded so long as outstanding debt remained over the debt limit. As a consequence we would face imminent default on all other outstanding obligations.

Because no other new debt could be issued, the bill would also remove Treasury's ability to raise cash to pay benefits from other trust funds, even after a disinvestment of securities held by such funds.

Second, while the bill intends to protect the ability to make payments to fund beneficiaries at times when the debt limit would otherwise preclude such payments, as a practical matter it cannot be assured that the protected payments could actually be made, given the current methods of paying government obligations.

The Federal Reserve's current procedure, when government checks are presented for payment, is to give immediate credit to the presenting bank. Incoming checks are not actually sorted for several days after presentment. There is not presently in place any operational capability that would permit a distinction to be made between protected benefit checks and all other checks being presented for payment.

While the bill would require the Secretary to institute procedures to assure that the protected benefits are paid when due, we estimate that it would take a minimum of three months, and perhaps longer, to institute the changes in the payments system necessary to provide this assurance.

Finally, the protected payment procedures prescribed by this legislation would only be triggered when we were in, or on the brink of, default.

Since the country has never in its history experienced a default, it is impossible to determine whether or to what extent it would be possible for Treasury to sell new debt to the public to make the protected payments.

In such a situation, all other payment obligations of the United States would either be in default or would be ''queued up'' for payment as cash became available.

We would be pleased to work with the Committee to try to develop legislative language that would carry out the objectives that we share, while avoiding the adverse consequences we see flowing from the language in the current bill.

We continue to believe, however, that the most effective and certain means for assuring that the interests of beneficiaries of Social Security and Medicare—as well as all other trust funds—are fully protected, is promptly to enact a clean permanent increase in the debt limit.

Sincerely,

JOHN D. HAWKE, Jr.,
Under Secretary of the Treasury
for Domestic Finance.

THE BAD DEBT BOX SCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, December 14, the Federal debt stood at $4,989,708,383,241.14, a little more than $10 billion shy of the $5 trillion mark, which the Federal debt will exceed in a few weeks.

On a per capita basis, every man, woman, and child in America owes $18,941.02 as his or her share of that debt.

THE LAUTENBERG AMENDMENT

Mr. SIMPSON. Mr. President, earlier today, Senator LAUTENBERG responded to a statement I made yesterday regarding the so-called Lautenberg amendment.

In defending this abused program, which has made a farce of the Refugee Act, my friend and colleague claimed that the beneficiaries ''have to prove a credible fear'' of persecution before they qualify.

Yet, in fact, these people do not have to prove a credible fear of persecution; rather all they have to do is assert a fear of discrimination. Discrimination, Mr. President, is not persecution; and asserting a fear is not proving it. All other refugees in the world who are coming to this country are required to prove a ''well-founded fear of persecution.''

Senator LAUTENBERG responded to the reports of criminals using this program to enter the United States by saying it wasn't designed to ''allow criminals to enter.'' He said it is the responsibility of the INS and the State Department to prevent criminals from using the program.

I would remind my good friend that when the INS tried its level best to effectively screen these people, representatives of ''the groups'' went directly to Moscow to insist upon lower standards. Do not blame the Justice and the State Departments alone for this fiasco. ''The groups'' and their skilled lobbyists created this one from whole cloth.

Senator LAUTENBERG said he was surprised to hear me refer to Russia as our ''best friend.'' Perhaps best friend was a bit of an overstatement, but they are certainly among our friends, and certainly this administration and this President as well as the previous administration have gone out of their way to cultivate friendly relations with that country. Whether it is a best friend or a good friend, there is certainly no justification whatever—at this present day—for some blanket ''presumption'' of ''refugeeness'' for any of their citizens who happen to belong to one of several religious groups, some of whose members have been subject to discrimination or even persecution in the past.

However, the most astounding thing the Senator from New Jersey said was that the program ought to be extended for another year. Even if we cut this off today, there are 100,000 of these beneficiaries of the Lautenberg amendment already ''in the pipeline.'' That means that even without an extension we will have 35,000 entering every year for the next 3 years.

I can only reply to my friend that he should read again the article I placed into the CONGRESSIONAL RECORD yesterday, and I respectfully recommend that he should talk to the Immigration Service about the current traffic from Moscow regarding this program.

How can any of us support a program where only one-half of 1 percent of those applying now could qualify as a ''refugee'' under the American and the international law definition of ''refugee''? We make a mockery of the law if we do so.

Why should the American taxpayer provide our severely limited refugee aid for these persons, who are actually regular ''immigrants,'' not ''refugees.''

These ''asserters'' are not even required to prove a well-founded fear of persecution, so we have absolutely no assurance that they are, in fact, refugees. And more importantly please recall that when they do receive permission to enter the United States, they take months, even sometimes more than a year, to decide whether or not they really want to come here.

About 40,000 of them who are authorized to come here are lingering in the former Soviet Union, weighing their options. They are clearly in no hurry. That is what an immigrant ordinarily does—to calmly, and without urging, weigh all the pluses and minuses of staying or going to the United States. A true refugee does not have any possible luxury of such a lengthy, deliberative process. After all they are required to be ''fleeing'' or have a ''well founded fear'' of persecution.

Again, I urge the conferees on the State Department reauthorization bill to insist upon the Senate provisions and not continue this misused program any longer.

RETIREMENT OF LEE M. NACKMAN

Mr. SIMPSON. Mr. President, I appreciate the opportunity to take a few brief moments of the Senate's time to acknowledge the impending retirement of Mr. Lee M. Nackman from Federal service.

For nearly 10 years, Mr. Nackman has served as the Director of the Los Angeles VA Outpatient Clinic. During his tenure, he has taken his clinic from substandard basement quarters to a $40 million, state-of-the-art, ambulatory care center in the heart of downtown Los Angeles.

The constituency served by the clinic brings to it a myriad of medical and psychosocial problems. Many of the veterans care for are homeless, living on the streets literally within sight of Los Angeles' City Hall. In large measure because of his leadership, each of the veterans cared by the clinic is treated with the dignity and respect they have earned through service to their country. This is a difficult patient population, yet Lee Nackman has assured that it is one that is well served by the Department of Veterans Affairs health care system.

Mr. President, on January 3, 1996, Mr. Nackman is ending a distinguished 35-year career of service to America's veterans. He began as a pharmacy intern at the Manhattan VA Medical Center upon completion of his B.S. degree from Columbia University. While working as a pharmacy resident at what is now the West Los Angeles VA Medical

Center, he completed his M.Sc. degree at the University of Southern California School of Pharmacy.

Throughout his career with the Veterans Administration, now the Department of Veterans Affairs, he has held a series of positions of ever increasing responsibility in pharmacy and in health care management, to include 2 years as Assistant Director of the VA hospital in Sheridan, WY.

While in Los Angeles, Mr. Nackman has chaired the Southern California and Southern Nevada network of the Veterans Health Administration. His leadership was instrumental in creating a more integrated, more patient focused approach to caring for the more than 1.7 million veterans residing in that area. This network approach to providing health care has served as a model for the national reorganization of VA health care delivery into Veterans Integrated Service Networks.

Mr. Nackman currently chairs the Greater Los Angeles Federal Executive Board, in which capacity he has shown leadership in encouraging a range of Federal partnerships which assure the provision of services administered by all Federal agencies in a more efficient and effective manner. This country's taxpayers deserve no less.

Mr. President, Lee Nackman has brought honor and dignity to the status of Federal employee. He has contributed to all that is good about those in Government who provide goods and services to our citizens, and most significantly, to the veterans he has so directly cared for over the 35 years of his distinguished career. Those of us who care deeply about this Nation's veterans can but thank those men and women, like Lee Nackman, who have dedicated themselves to the service of veterans. It is fitting that we recognize that service today. It is also appropriate that we express our thanks to Lee Nackman—and indeed, to so many dedicated public servants, the best of whom he represents—at this, the moment of his retirement.

Mr. President, I know all in this body join with me in this valedictory. We wish Lee Nackman many years of a satisfying retirement. During that time he can truly look back upon a job well done.

NORDY HOFFMANN—A GREAT AMERICAN

Mr. BYRD. Mr. President, the December 13, 1995, edition of the Hill included an article written by Ron Martinson paying special tribute to F. Nordhoff Hoffmann. It is a fine piece that captures perfectly the man we all know as Nordy. Mr. Martinson takes us through the various and varied stages of Nordy's life revealing a remarkable example of one person's contribution to his family, his college, his colleagues and his country.

I have known Nordy for many years. His service to this institution, most notably as Sergeant at Arms, is well-known and remains a standard to which all who fill that position are compared. While Nordy's tenure in the Senate was as a Democrat, his ability to transcend party and politics was extraordinary and one pattern I often wish was emulated more regularly. Nordy's empathy for everyone from Senators to staff was truly uncommon. To put it simply Nordy, throughout his life, has always been a caring individual and an excellent role model. It has been sometime since I have seen Nordy, and I am deeply saddened by news of his ill health, but I wanted to take this opportunity to call attention to this article and to let Nordy know I am thinking of him and I wish him well.

Mr. President, I ask unanimous consent that the Hill article be printed in the RECORD.

There being no objection, the ordered to be printed in the RECORD, as follows:

[From The Hill, Dec. 13, 1995]

NORDY HOFFMANN—AILING FORMER SENATE SERGEANT AT ARMS WAS A GIANT FIGURE WITH A HEART TO MATCH

(By Ron Martinson)

P. Nordhoff Hoffmann, known to generations of Notre Dame alumni and members of Congress as ''Nordy,' was convening his first department head meeting as Senate sergeant at arms in January 1976.

With the directors of a dozen service organizations under his jurisdiction dutifully assembled, Nordy opened the meeting with characteristic directness; ''Some of you guys probably think that because Nordy Hoffmann is 67 years old, he won't be around in this job for very long. Well, let me tell you something—my grandfather lived to be 92, so get that out of your damn heads right now.''

Hoffmann, who will turn 86 next Tuesday, is seriously ill with cancer. But to anyone who knew him during a lifetime of successes earned by determination and a sense of destiny, he was one of the most remarkable and unforgettable personalities who ever walked the corridors of Capitol Hill.

A huge hulk of a man whose massive frame carried more than 300 pounds before his illness, Nordy's thundering voice could intimidate the most intrepid soul. But underneath was a gentle spirit and big heart that earned Nordy legions of devoted friends.

A native of Seattle, Nordy first achieved distinction as an All-American right guard on Knute Rockne's 1929 and 1930 Notre Dame championship football teams. He had never played the game before Rockne spotted him on campus one day and ordered him to report to practice. He graduated from Notre Dame Law School in 1933 and after several years as assistant coach at his alma mater and a semi-pro football player, he saw service as a World War II Navy officer in the Pacific.

After the war, Nordy was tapped by Philip Murray, president of the United Steelworkers Union, to become the union's legislative director in Washington, a position that quickly immersed him in national Democratic politics. For the next 20 years, he was in the thick of every major labor battle on Capitol Hill, from Taft-Hartley to minimum wage to Medicare.

Nordy received a rare tribute in 1963 when then-Vice President Lyndon Johnson singled him out during a speech at a Democratic dinner and roared, ''Nordy Hoffmann knows what I'm talking about because he and Phil Murray and I were fighting for these things way back when. We didn't win but we didn't stop trying because Nordy Hoffmann's not a quitter, and neither am I!''

In 1967, Sen. Edmund Muskie (D–Maine) prevailed upon Nordy to become executive director of the Democratic Senatorial Campaign Committee, and 10 years later, in January 1976, the Democratic majority picked him to succeed William H. Wannall as Senate sergeant at arms.

It took Nordy about two minutes after being sworn in to put his ''Let's get it done and help the people'' management style into full gear. He engaged everyone in the process, seeking advice from people from senators to janitors about how to make his office more open, productive and helpful.

As Nordy's administrative assistant and the token Republican in his office, I always found him exceptionally open to ideas, including that of putting a ''welcome'' sign on the door. He was also color blind, as he brought his longtime assistant Barbara Towles with him and made her his executive secretary. She was the first black person to hold this position in the Sergeant at Arms Office.

Nordy was genuinely focused on being a good steward of the resources entrusted to him, and he looked for and found many ways to save money, improve services and steamline operations. But all of those things were only tools to help him achieve his most important goal, which was to provide service for others.

In a town where people often dispense favors and return phone calls based upon the recipient's ability to reciprocate, Nordy would give his shirt to the first person who asked without expecting anything in return. Once, a friend of mine who was working for a junior Republican congressman asked if I knew of any job opportunities for Republicans on the Senate side as his niece was looking for work.

When I suggested he talk to Nordy, he couldn't believe that Nordy would even see him. Not only did Nordy talk to him, but he found the aide's niece a job. That former aide is now a Republican congressman from New York.

Nothing underscores the universal affection for Nordy better than the time he was recommended for induction into the national collegiate football Hall of Fame. An ad hoc committee headed by Don Womack, former superintendent of the Senate Press Gallery, was formed to collect testimonial letters on Nordy's behalf to the judges considering Nordy's nomination.

When I looked at the folder containing copies of the letters that were presented to Nordy as a keepsake, I discovered personally signed letters from Presidents Carter and Ford and Vice Presidents Mondale and Rockefeller, along with those from every one of the 100 senators. Needless to say, Nordy was elected to the Hall of Fame.

But Nordy wasn't just a hero to sports enthusiasts or powerful politicians. Once, when a maid asked me if I could do something about the dirty, dilapidated maids' lounge in the basement of the Capitol, I walked into Nordy's office and stood in front of his desk.

''Nordy, you consider yourself to be a humane employer, don't you?'' I declared. He looked at me with a quizzical expression, and as I described what I'd seen, he spun around on his chair and began punching buttons on his phone with his sausage-like fingers.

He gave Tom Ward, the chief engineer in charge of maintenance at the Capitol, an earful about the disgraceful working conditions of his maids, and within two days, Ward had dispatched a team of painters and plasterers to convert the maids' lounge into a clean, pleasant place, making Nordy a hero forever to the maids.

Nordy's legendary kindness didn't stop at the doors of the Capitol. He and his wife Joanne opened their Potomac, Md., home and

swimming pool to retarded children. Nordy also raised staggering amounts of money for cancer research as a member of the board of the Vince Lombardi Cancer Center at Georgetown University Hospital.

Following the Republican takeover of the Senate in 1981 Nordy left the Senate to open his own consulting firm, but he continued as an informal advisor and friend to people both on and off the Hill. When I stopped by his office several years ago, he had just finished ''putting the tap'' on a lobbyist friend for a donation for his annual Thanksgiving project.

Nordy used the money to buy turkeys, which he then had a Senate chef cook for him. On Thanksgiving Day, he picked up the birds and delivered them to homeless shelters in the area. He did this for years without telling any of his friends and associates.

On my last visit with Nordy several months ago, before he entered the hospital for treatment of his illness, I saw the sign that sat prominently on his desk. It read, ''Never complain about getting old. It is a privilege denied to many.''

Nordy Hoffmann has always acted on this advice and has lived every moment to the fullest with the purpose of serving others. That service continued until very recently when his declining health forced him to end it. But his legion of friends and admirers know that he was always a real friend in a town where real friends are truly rare.

DR. NED A. OSTENSO, PH.D., A LEADER IN SCIENTIFIC RESEARCH ON LAND AND SEA

Mr. PELL. Mr. President, I rise to share with my colleagues the news that Dr. Ned A. Ostenso, Ph.D., Assistant Administrator of the National Oceanic and Atmospheric Administration's Office of Oceanic and Atmospheric Research, plans to retire in 3 weeks, on January 3, 1996.

During his distinguished career, Dr. Ostenso has made invaluable contributions as a research scientist, administrator, and leader in shaping America's understanding of the oceans and in directing our Nation's marine and atmospheric research.

As a researcher, he played a major role in defining the structure of the Arctic Ocean Basin, providing quantitative studies of mid-ocean ridges—including the first paper on the relationship of sea-floor age to crustal thickness—and defining the nature of Greenland and Antarctic ice caps.

His research activities have resulted in more than 50 published scientific papers.

Among Dr. Ostenso's numerous honors in earth and marine sciences, a seamount in the Arctic Ocean was named after him. In addition, while serving with the team that made the first transit of Antarctica during the International Geophysical Year, Dr. Ostenso discovered an Antarctic mountain peak that today bears his name.

Long after we are gone, Dr. Ostenso's name will be remembered both on land and at sea.

In the 1970's, Dr. Ostenso represented the United States Navy on mutual defense environmental data agreements with Australia, Germany and New Zealand. In 1972, he represented the United States Navy in negotiating, and later administering, the U.S./U.S.S.R Bilateral Agreement in World Ocean Studies.

Later, he served in the White House Office of Science and Technology Policy as Assistant Presidential Science Advisor. He was Deputy Director and Senior Oceanographer of the Ocean Science and Technology Division, Office of Naval Research.

In January of 1977, Dr. Ostenso moved from the Navy to the National Oceanic and Atmospheric Administration [NOAA] to assume 12 years of leadership of the Sea Grant College Program.

I am best acquainted with Dr. Ostenso's extraordinary skill through my own role as the Senate author of the National Sea Grant College and Program Act. Under his leadership, Sea Grant improved and expanded during a dozen exciting and challenging years, including five reauthorizations.

As Sea Grant Director, Dr. Ostenso improved Sea Grant's science through rigorous peer review and broadened Sea Grant's reach by bringing new colleges and universities under its umbrella. Under his leadership, Sea Grant expanded to a total of 29 programs in 31 coastal and Great Lakes States.

Sea Grant is highly regarded for its support of excellent research and effective educational and technology transfer programs. An economic study of the National Sea Grant Program showed that, in the year studied, 1987, Sea Grant's impact on the national economy was $840 million.

In today's dollars, this impact would likely exceed $1 billion per year. For example, Sea Grant research over the last two decades has given the country a profitable marine aquaculture industry with an estimated 1995 value of $300 million.

For 6 years, Dr. Ostenso served as Assistant Administrator for Oceanic and Atmospheric Research, which included responsibility for Sea Grant, the National Undersea Research Program, and the Environmental Research Laboratories.

During his tenure, the 12 institutions comprising the Environmental Research Laboratories made a number of significant contributions leading to: Modernization of the National Weather Service; an understanding of the physics and chemistry of the polar ozone holes that has led to sensible national policies; a national climate program that is just now beginning to predict weather on season and yearly time scales; and a vast improvement to our understanding of severe weather events that has had a direct impact on more accurate and timely warnings.

As Assistant Administrator, Dr. Ostenso oversaw a major shift in the focus of the National Undersea Research Program [NURP].

Under his guidance, NURP changed from a primary focus on the procurement of undersea vessels and associated hardware to an increased emphasis on more scientifically oriented national, subsurface research.

NURP now supports merit-based research grants to provide the scientific basis for addressing critical natural resource issues—such as the preservation of natural marine sanctuaries. The program also continues to provide access to an extensive array of manned and unmanned undersea vehicles.

Dr. Ostenso also served as NOAA's acting chief Scientist for 1 year. He was instrumental in obtaining OMB and congressional support for a 15-year NOAA fleet replacement and modernization program.

Over the years, Dr. Ostenso has served on a number of national and international committees and panels. The most recent was his appointment by Vice President GORE and the Director of the Central Intelligence Agency to serve on an Environmental Task Force to assess the dual use of defense and intelligence data and systems for civilian environmental studies.

Dr. Ostenso has played a pivotal role for years in guiding the American Geophysical Union [AGU]. Most recently he supervised the construction of their handsome new facilities on Florida Avenue here in Washington, DC.

He also is former vice president of the American Oceanic Organization, president of the American Polar Society, and a member of many organizations, including the Antarctica Society, Arctic Institute of North America, Cosmos Club, Explorers Club, and Geological Society.

I am confident that I speak for many of my colleagues when I express admiration and thanks to Dr. Ned A. Ostenso, Ph.D., for his invaluable contributions to the United States of America and to the world scientific community. He has our best wishes.

MESSAGES FROM THE HOUSE

At 11:59 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 36. Concurrent resolution directing the Secretary of the Senate to make technical corrections in the enrollment of S. 1060.

At 1:58 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it request the concurrence of the Senate:

H.R. 2621. An act to enforce the public debt limit and to protect the social security trust funds and other federal trust funds and accounts invested in public debt obligations.

At 2:49 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the

Senate to the bill (H.R. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1712. A communication from the Federal Co-Chairman of the Appalachian Regional Commission, transmitting, pursuant to law, the semiannual report of the Inspector General for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–1713. A communication from the Chairman of the Corporation For Public Broadcasting, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–1714. A communication from the Chief Executive Officer of the Corporation For National Service, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–1715. A communication from the Chairman of the Equal Employment Opportunity Commission, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–1717. A communication from the Chairperson of the U.S. National Commission on Libraries and Information Science, transmitting, pursuant to law, the report on the system of internal accounting and financial controls in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1718. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1719. A communication from the Chairman of the United States Merit Systems Protection Board, transmitting, pursuant to law, the report entitled, ''The Rule of Three in Federal Hiring: Boon or Bane''; to the Committee on Governmental Affairs.

EC–1720. A communication from the Chairman of the United States Merit Systems Protection Board, transmitting, pursuant to law, the statistical report on decisions issued; to the Committee on Governmental Affairs.

EC–1721. A communication from the Chairman of the National Endowment For the Humanities, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–1722. A communication from the Director of the Norfolk Naval Shipyard Co-operative Association, transmitting, pursuant to law, the annual report of the Federal Pension Plan for calendar year 1993; to the Committee on Governmental Affairs.

EC–1723. A communication from the Director of Selective Services, transmitting, pursuant to law, the report on the internal controls and financial systems in effect during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1724. A communication from the Chairman of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, a report relative to the Board's audit and investigative coverage during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1725. A communication from the Deputy Independent Counsel, transmitting, pursuant to law, the annual report under the Inspector General Act on audit and investigative activities during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1726. A communication from the Deputy Independent Counsel (In re Secretary of Agriculture Espy), transmitting, pursuant to law, the annual report under the Inspector General Act on audit and investigative activities during fiscal year 1995; to the Committee on Governmental Affairs.

EC–1727. A communication from the District of Columbia Auditor, transmitting, pursuantto law, the report entitled ''Review of Negotiated Services Contracts Between the District of Columbia and the Test Development Committee''; to the Committee on Governmental Affairs.

EC–1728. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-155 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1729. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-156 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1730. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-157 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1731. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-158 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1732. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-160 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1733. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-163 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1734. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-164 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1735. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-165 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

EC–1736. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-166 adopted by the Council on November 7, 1995; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with amendments:

S. 1044. A bill to amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes (Rept. No. 104–186).

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 1228. A bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran (Rept. No. 104–187).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 342. A bill to establish the Cache La Poudre River National Water Heritage Area in the State of Colorado, and for other purposes (Rept. No. 104–188).

By Mr. ROTH, from the Committee on Finance, with an amendment in the nature of a substitute:

S. 1470. A bill to amend title II of the Social Security Act to provide for increases in the amounts of allowable earnings under the social security earnings limit for individuals who have attained retirement age, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive report of committee was submitted:

By Mr. HELMS, from the Committee on Foreign Relations:

Treaty Doc. 103–1 Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (the START II Treaty) (Executive Report 104–10):

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved (two-thirds of the Senators present concurring therein), That (a) the Senate advise and consent to the ratification of the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the ''START II Treaty'' (contained in Treaty Document 103–1), subject to the conditions of subsection (b) and the declarations of subsection (c):

(1) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Elimination and Conversion Protocol'').

(2) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Exhibitions and Inspections Protocol'').

(3) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Memorandum on Attribution'').

(b) CONDITIONS.—The advice and consent of the Senate to the ratification of the START

II Treaty is subject to the following conditions, which shall be binding upon the President:

(1) NONCOMPLIANCE.—If the President determines that a party to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on July 3, 1991 (in this resolution referred to as the ''START Treaty'') or to the START II Treaty is acting in a manner that is inconsistent with the object and purpose of the respective Treaty or is in violation of either the START or START II Treaty so as to threaten the national security interests of the United States, then the President shall—

(A) consult with and promptly submit a report to the Senate detailing the effect of such actions on the START Treaties;

(B) seek on an urgent basis a meeting at the highest diplomatic level with the noncompliant party with the objective of bringing the noncompliant party into compliance;

(C) in the event that a party other than the Russian Federation is determined not to be in compliance—

(i) request consultations with the Russian Federation to assess the viability of both START Treaties and to determine if a change in obligations is required in either treaty to accommodate the changed circumstances, and

(ii) submit for the Senate's advice and consent to ratification any agreement changing the obligations of the United States; and

(D) in the event that noncompliance persists, seek a Senate resolution of support of continued adherence to one or both of the START Treaties, notwithstanding the changed circumstances affecting the object and purpose of one or both of the START Treaties.

(2) TREATY OBLIGATIONS.—Ratification by the United States of the START II Treaty obligates the United States to meet the conditions contained in this resolution of ratification and shall not be interpreted as an obligation by the United States to accept any modification, change in scope, or extension of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972 (commonly referred to as the ''ABM Treaty'').

(3) FINANCING IMPLEMENTATION.—The United States understands that in order to be assured of the Russian commitment to a reduction in arms levels, Russia must maintain a substantial stake in financing the implementation of the START II Treaty. The costs of implementing the START II Treaty should be borne by both parties to the Treaty. The exchange of instruments of ratification of the START II Treaty shall not be contingent upon the United States providing financial guarantees to pay for implementation of commitments by Russia under the START II Treaty.

(4) EXCHANGE OF LETTERS.—The exchange of letters—

(A) between Secretary of State Lawrence Eagleburger and Minister of Foreign Affairs Andrey Kozyrev, dated December 29, 1992, regarding SS–18 missiles and launchers now on the territory of Kazakstan,

(B) between Secretary of State Eagleburger and Minister of Foreign Affairs Kozyrev, dated December 29, 1992, and December 31, 1992, regarding heavy bombers, and

(C) between Minister of Defense Pavel Grachev and Secretary of Defense Richard Cheney, dated December 29, 1992, and January 3, 1993, making assurances on Russian intent regarding the conversion and retention of 90 silo launchers of RS–20 heavy intercontinental ballistic missiles (ICBMs) (all having been submitted to the Senate as associated with the START II Treaty),

are of the same force and effect as the provisions of the START II Treaty. The United States shall regard actions inconsistent with obligations under those exchanges of letters as equivalent under international law to actions inconsistent with the START II Treaty.

(5) SPACE-LAUNCH VEHICLES.—Space-launch vehicles composed of items that are limited by the START Treaty or the START II Treaty shall be subject to the obligations undertaken in the respective treaty.

(6) NTM AND CUBA.—The obligation of the United States under the START Treaty not to interfere with the national technical means (NTM) of verification of the other party to the Treaty does not preclude the United States from pursuing the question of the removal of the electronic intercept facility operated by the Government of the Russian Federation at Lourdes, Cuba.

(c) DECLARATIONS.—The advice and consent of the Senate to ratification of the START II Treaty is subject to the following declarations, which express the intent of the Senate:

(1) COOPERATIVE THREAT REDUCTIONS.—Pursuant to the Joint Statement on the Transparency and Irreversibility of the Process of Reducing Nuclear Weapons, agreed to in Moscow, May 10, 1995, between the President of the United States and the President of the Russian Federation, it is the sense of the Senate that both parties to the START II Treaty should attach high priority to—

(A) the exchange of detailed information on aggregate stockpiles of nuclear warheads, on stocks of fissile materials, and on their safety and security;

(B) the maintenance at distinct and secure storage facilities, on a reciprocal basis, of fissile materials removed from nuclear warheads and declared to be excess to national security requirements for the purpose of confirming the irreversibility of the process of nuclear weapons reduction; and

(C) the adoption of other cooperative measures to enhance confidence in the reciprocal declarations on fissile material stockpiles.

(2) ASYMMETRY IN REDUCTIONS.—It is the sense of the Senate that, in conducting the reductions mandated by the START or START II Treaty, the President should, within the parameters of the elimination schedules provided for in the START Treaties, regulate reductions in the United States strategic nuclear forces so that the number of accountable warheads under the START and START II Treaties possessed by the Russian Federation in no case exceeds the comparable number of accountable warheads possessed by the United States to an extent that a strategic imbalance endangering the national security interests of the United States results.

(3) EXPANDING STRATEGIC ARSENALS IN COUNTRIES OTHER THAN RUSSIA.—It is the sense of the Senate that, if during the time the START II Treaty remains in force or in advance of any further strategic offensive arms reductions the President determines there has been an expansion of the strategic arsenal of any country not party to the START II Treaty so as to jeopardize the supreme interests of the United States, then the President should consult on an urgent basis with the Senate to determine whether adherence to the START II Treaty remains in the national interest of the United States.

(4) SUBSTANTIAL FURTHER REDUCTIONS.—Cognizant of the obligation of the United States under Article VI of the Treaty on the Non-Proliferation on Nuclear Weapons of July 1, 1968 ''to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at any early date and to nuclear disarmament and on a treaty on general and complete disarmament under strict and effective international control'', it is the sense of the Senate that in anticipation of the ratification and entry into force of the START II Treaty, the Senate calls upon the parties to the START II Treaty to seek further strategic offensive arms reductions consistent with their national security interests and calls upon the other nuclear weapon states to give careful and early consideration to corresponding reductions of their own nuclear arsenals.

(5) MISSILE TECHNOLOGY CONTROL REGIME.—The Senate urges the President to insist that the Republic of Belarus, the Republic of Kazakstan, Ukraine, and the Russian Federation abide by the guidelines of the Missile Technology Control Regime (MTCR). For purposes of this paragraph, the term ''Missile Technology Control Regime'' means the policy statement between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced April 16, 1987, to restrict sensitive missile-relevant transfers based on the MTCR Annex, and any amendments thereto.

(6) FURTHER ARMS REDUCTION OBLIGATIONS.—The Senate declares its intention to consider for approval international agreements that would obligate the United States to reduce or limit the Armed Forces or armaments of the United States in a militarily significant manner only pursuant to the treaty power as set forth in Article II, Section 2, Clause 2 of the Constitution.

(7) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification with respect to the INF Treaty. For purposes of this declaration, the term ''INF Treaty'' refers to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter Range Missiles, together with the related memorandum of understanding and protocols, approved by the Senate on May 27, 1988.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH (for himself, Mr. HARKIN, Mr. CRAIG, and Mr. BENNETT):

S. 1481. A bill to amend the Internal Revenue Code of 1986 to provide for the nonrecognition of gain for sale of stock to certain farmers' cooperatives, and for other purposes; to the Committee on Finance.

By Mr. GRAMS:

S. 1482. A bill to amend chapter 13 of title 31, United States Code, to deem all Federal employees to be essential employees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. KYL (for himself, Mrs. FEINSTEIN, and Mr. DEWINE):

S. 1483. A bill to control crime, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. HARKIN, Mr. CRAIG, and Mr. BENNETT):

S. 1481. A bill to amend the Internal Revenue Code of 1986 to provide for the nonrecognition of gain for sale of stock to certain farmers' cooperatives, and for other purposes; to the Committee on Finance.

FARMERS' COOPERATIVE LEGISLATION

Mr. HATCH. Mr. President, I am joined by Senators HARKIN, CRAIG, and BENNETT in introducing legislation that will assist farmers' cooperatives in purchasing the refining and processing facilities that receive their goods and lower the cost of bringing agricultural products to market. The bill extends certain nonrecognition of gain benefits contained in the Internal Revenue code to owners of agricultural product refining and processing facilities if they sell to a farmers cooperative.

Currently, the Tax Code provides various incentives for the promotion of economic activity and growth. For example, section 1042 grants employees participating in an Employee Stock Ownership Plan [ESOP] and worker-owned cooperatives the opportunity to acquire an ownership interest in certain corporate stock. This has enabled employees and members of worker-owned cooperatives to participate as owners of the business. This Congress, as have previous Congresses recognizes that economic conditions are changing as advancing technology has transformed our business climate into one that is more dependent on capital investment for growth and profits. Participatory ownership at all levels is important in spreading the benefits of capital ownership from the few to the many.

The bill would provide farmers who form farmers cooperatives the opportunity for an ownership interest in the processing and marketing of their products. Owners of a refining or processing facility would be able to receive nonrecognition treatment on any capital gain if the facility is sold to a farmers cooperative that did at least 50 percent of its business with the refining or processing facility, so long as the owners reinvest the sales proceeds into similar property.

Mr. President, farmers generally own their own businesses. Some have a few acres of land and some have developed large operations. Over the years, farmers cooperatives have been formed to take advantage of economies of scale. These farmers cooperatives bring farmers together to sell their agricultural products to someone else who refines or processes them and sells them to the public. The chain in agricultural marketing includes both the farmer and the refiner or processor. Each additional link in the chain can add increasing costs to the final sale of these agricultural products. If the farmers, through the combined power of a farmers cooperative, could acquire ownership in the refiner or processor that finishes and markets their products, the driving need for profits at both levels of the chain would be lessened. By combining their business interest, an additional level of overhead and profitability could be greatly reduced. The net result would be lower costs to the consuming public and a healthier farm economy.

America's farmers have seen many changes to their industry over the past few years. It is tough to be a farmer. Price changes, demands for new machinery, changes in agricultural demand, the unpredictable weather, and economic hardship have shaken the farming industry. This bill will give farmers a chance for more stability and control in the future marketing of their products. Of course, not all farmers will take advantage of these benefits. However, those that do will hopefully reap greater benefits from a more integrated agricultural business.

Representatives PAT ROBERTS, chairman of the House Committee on Agriculture, CHARLES STENHOLM, and others introduced similar legislation in the House as H.R. 2676. This bill has bipartisan support. It is timely assistance for our Nations farmers' cooperatives. I urge my colleagues in the Senate on both sides of the isle to support this initiative for our Nation's farming industry. This bill has been endorsed by the National Council of Farmers' Cooperatives.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NONRECOGNITION OF GAIN ON SALE OF STOCK TO CERTAIN FARMERS' COOPERATIVES.

(a) *Application of Section* 1042 SECTION 1042 TO CERTAIN FARMERS' COOPERATIVES.—Section 1042 of the Internal Revenue Code of 1986 (relating to sales of stock to employee stock ownership plans or certain cooperatives) is amended by adding at the end of the following new subsection:

''(g) APPLICATION OF SECTION TO SALES OF STOCK IN AGRICULTURAL REFINERS AND PROCESSORS TO ELIGIBLE FARM COOPERATIVES.—

''(1) IN GENERAL.—This section shall apply to the sale of stock of a qualified refiner or processor to an eligible farmers' cooperative.

''(2) QUALIFIED REFINER OR PROCESSOR.—For purposes of this subsection, the term 'qualified refiner or processor' means a domestic corporation—

''(A) substantially all of the activities of which consist of the active conduct of the trade or business of refining or processing agricultural or horticultural products, and

''(B) which purchases more than one-half of such products to be refined or processed from farmers who make up the eligible farmers' cooperative which is purchasing stock in the corporation in a transaction to which this subsection is to apply.

''(3) ELIGIBLE FARMERS' COOPERATIVE.—For purposes of this section, the term 'eligible farmers' cooperative' means an organization to which part I of subchapter T applies which is engaged in the marketing of agricultural or horticultural products.

''(4) SPECIAL RULES.—In applying this section to a sale to which paragraph (1) applies—

''(A) the eligible farmers' cooperative shall be treated in the same manner as a cooperative described in subsection (b)(1)(B),

''(B) subsection (b)(2) shall be applied by substituting '100 percent' for '30 percent',

''(C) the determination as to whether any stock in the domestic corporation is a qualified security shall be made—

''(i) without regard to whether the stock is an employer security, and

''(ii) by treating the requirements of subsection (c)(1)(A) as being met if more than 50 percent of the outstanding stock of the corporation is not readily tradable on an established securities market, and

''(D) subsection (c)(7) shall not apply.''

''(b) COORDINATION WITH SECTION 338(h)(10).—Section 338(h)(10) of the Internal Revenue Code of 1986 is amended by adding at the end of the following new subparagraph:

''(D) CORPORATION WITH SECTION 1042.—An election may be made under this paragraph with respect to a sale described in section 1042(g) for which an election was made under section 1042(a), except that no gain shall be recognized by reason of subparagraph (A)(ii) to the extent it is not recognized under section 1042(a).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.

● Mr. CRAIG. Mr. President, I join with Senators HATCH, HARKIN, and BENNETT in introducing legislation which would be helpful to farmer cooperatives seeking to purchase businesses that refine or processes their agricultural crops, and ultimately would lower the costs of bringing their products to market.

The proposed legislation would amend section 1042 of the Internal Revenue Code, which currently allows a similar treatment for sales to Employee Stock Ownership Plan [ESOP] and worker-owned cooperatives. Through this section of the Internal Revenue Code, employees and members of worker-owned cooperatives are able to acquire an ownership interest in certain corporate stock and participate in ownership of the business.

Currently, farmers cannot compete with other business entities and with ESOP's in buying such businesses because of the advantages inherent in the tax deferrals available in transactions with these other purchasers.

Mr. President, this bill would allow farmers' cooperatives the opportunity to be directly involved with the processing and marketing of their products. With this combination, overhead could be greatly reduced, and the result would be lower costs to the consuming public and a healthier farm economy.

Making it easier, on a more level playing field, for farmers to participate in the refining and processing of their products will provide them with a better way to deal with market fluctuations of commodity prices and also provide for more stability and control in their future marketing of products.

This bill has bipartisan support. Similar legislation has been introduced in the House as H.R. 2676, by PAT ROBERTS, CHARLIE STENHOLM, and others. I urge my colleagues here in the Senate on both sides of the aisle to support

this initiative for our Nation's farming industry, which has been endorsed by the National Council of Farmers Cooperatives.●

By Mr. GRAMS:

S. 1482. A bill to amend chapter 13 of title 31, United States Code, to deem all Federal employees to be essential employees, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL GOVERNMENT SHUTDOWN LEGISLATION

● Mr. GRAMS. Mr. President, once again we stand at the edge of another partial shutdown of the Federal Government.

Looking back on last month's shutdown, I have a hard time explaining to Minnesotans why we gave 800,000 Federal Government employees 4½ days of what amounts to paid ''vacation'' on top of the already generous employee leave benefits. I have a hard time explaining what the taxpayers got when they footed the bill for $400 million dollars of work that was never performed.

Mr. President, losing your job is tough but if you get laid off or you go on strike, you don't get paid. Yet, if the Federal Government furloughs many of its employees it becomes a vacation and is paid in full. I'm reminded of that popular song from a few years back: ''Somthin' for nothin'.'' That's exactly what Federal employees got when the Government shut down—''Somethin' for nothin'.'' And I suggest, Mr. President, that the American taxpayer is sick and tired of getting nothing.

I realize that most Federal employees want to work and not become pawns in the debate over Federal spending. I want to change the law to ensure that Federal employees will work during shutdowns.

As we all know, the determination of whether you came to work during the shutdown depended on if you were deemed ''essential'' or ''nonessential.''

It was very interesting when we saw the numbers of ''nonessential'' employees in some of the agencies we continue to support with billions of tax dollars.

Fifty-seven percent of the employees at Health and Human Services; 66 percent of Commerce; 72 percent at Interior; 75 percent at Labor; 82 percent at EPA; 89 percent at Education; and a full 99 percent of HUD.

Overall 800,000 employees—all of them deemed ''nonessential'' all of them on a paid ''vacation'' they didn't ask for and didn't want.

I can't tell you how many times I've tried to explain to angry Minnesotans why we're employing all of these nonessential employees and even worse, why we paid them to stay away from the office.

Mr. President, we cannot let this happen again. We cannot have employees who come to work not knowing whether they'll be paid and others forced to sit at home, hoping they will be paid. This is unfair to Federal employees and this is especially unfair to American taxpayers, who pay far too much of their hard earned dollars to the Government.

For this reason, I am introducing legislation which will end this classification process and restore some common sense that will keep people working when Congress and the President fail to enact appropriations.

Simply put, my bill, the ''Federal Employment Taxpayer Accountability Act,'' eliminates the distinction between essential and nonessential employees deeming all Federal Government employees essential.

This will put an end to classification of Federal employees. It removes the guesswork on who's ''essential'' and most importantly, it eliminates Federal employees being used as ''pawns'' of the process—as bargaining chips for negotiators.

Mr. President, the prospect of another Government shutdown is disappointing. The people of this country are demanding a balanced budget. Yet here we are, ready to throw another 300,000 employees out of work at Christmas time. Will they get paid when they come back? My bet is yes. If they're paid again for not working will the taxpayers understand? My bet is no.

Let's not let this happen again. Let's ensure that taxpayers are protected. Let's ensure that when we ask them to send part of their paycheck to Washington, they're getting the most efficient cost effective Government possible—without the paid vacations.

I urge my colleagues to support Federal workers—and the American taxpayers—by supporting the Federal Employment Taxpayer Accountability Act.

By Mr. KYL (for himself, Mrs. FEINSTEIN, and Mr. DEWINE):

S. 1483. A bill to control crime, and for other purposes; to the Committee on the Judiciary.

THE VICTIM RIGHTS AND DOMESTIC VIOLENCE PREVENTION ACT OF 1995

● Mr. KYL. Mr. President, I introduce the Victim Rights and Domestic Violence Prevention Act of 1995. The O.J. Simpson trial reminded all of us of the terrible problem of domestic violence in America. Now is the time to do all we can to bring abusers to justice.

Women are the victims of more than 4.5 million violent crimes a year, including half a million rapes or other sexual assaults, according to the Department of Justice. The National Victims Center calculates that a woman is battered every 15 seconds. Additionally, the FBI has reported that one violent crime occurs every 16 seconds, an aggravated assault every 28 seconds, a robbery every 48 seconds, and a murder every 21 minutes.

Nicole Brown Simpson's story is an all-too-familiar one. Last year's crime bill, which is now law, did much to help victims of domestic violence—making it easier for evidence of intrafamilial sexual abuse to be introduced, for example. It will now be much easier for prosecutors in Federal cases to introduce evidence that the accused committed a similar crime in the past. The crime act also provides Federal funding for battered women's shelters and training for law-enforcement officers and prosecutors.

The Victim Rights and Domestic Violence Prevention Act will strengthen the rights of domestic violence victims in Federal court and, hopefully, set a standard for the individual States to emulate.

A message must be sent to abusers that their behavior is not a family matter. Society should treat domestic violence as seriously as it does violence between strangers. My bill authorizes the death penalty for cases in which a woman is murdered by her husband or boyfriend.

Courts will not, under this bill, be able to exclude evidence of a defendant's violent disposition toward the victim as impermissible character evidence. My bill also provides that if a defendant presents negative character evidence concerning the victim, the government's rebuttal can include negative character evidence concerning the defendant. It makes clear that testimony regarding battered women's syndrome is admissible to explain the behavior of victims of violence.

We must establish a higher standard of professional conduct for lawyers. My legislation prohibits harassing or dilatory tactics, knowingly presenting false evidence or discrediting truthful evidence, willful ignorance of matters that could be learned from the client, and concealment of information necessary to prevent sexual abuse or other violent crimes.

Violence in our society leaves law-abiding citizens feeling defenseless. It is time to level the playing field. Federal law currently gives the defense more chances than the prosecution to reject a potential juror. My bill protects the right of victims to an impartial jury by giving both sides the same number of peremptory challenges.

Last year's Crime Act included a provision requiring notice to State and local authorities concerning the release of Federal violent offenders. Under the act, notice can only be used for law-enforcement purposes. The Justice Department opposes this limitation because it disallows other legitimate uses of the information, such as warning potential victims of the offender's return to the community. My bill would delete this restriction.

Under the bill, if a victim requests an HIV test in a sexual abuse case, the court must order HIV testing of the defendant, unless the court determines that the defendant's conduct created no risk of transmission of the virus to the victim. The order must direct that the initial test be performed within 24 hours of the issuance of the testing order, or as soon thereafter as feasible. The defendant cannot be released from custody until the test is performed.

Test results would be disclosed to the victim, and follow up testing would take place after 6 and 12 months. Additionally, the bill deletes a requirement that a victim must undergo counseling before she can seek a testing order. Second, it deletes a provision that the court cannot order testing of the defendant unless the victim demonstrates that such a test would provide information that is necessary for her health. Third, it makes clear that prosecutors may assist victims in obtaining testing orders under these provisions.

It is our responsibility to continue to work to combat violent crime, wherever it occurs. The Victim Rights and Domestic Violence Prevention Act of 1995 is an important step toward protecting the rights of crime victims, curbing domestic violence, and removing violent offenders from our streets and communities.

Finally, I would like to thank two of my colleagues on the Judiciary Committee. Throughout her career, Senator FEINSTEIN has been a staunch defender of women against violence. She has worked hard on this bill. I greatly appreciate her work and her support. And I would also like to thank Senator DEWINE for his help. Senator DEWINE has worked hard to fight crime. His work on this bill is part of his ongoing effort to put an end to violence and bring criminals to justice.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1483

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Victim Rights and Domestic Violence Prevention Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—EQUAL PROTECTION FOR VICTIMS

SEC. 101. RIGHT OF THE VICTIM TO AN IMPARTIAL JURY.

Rule 24(b) of the Federal Rules of Criminal Procedure is amended by striking ''the government is entitled to 6 peremptory challenges and the defendant or defendants jointly to 10 peremptory challenges'' and inserting ''each side is entitled to 6 peremptory challenges''.

SEC. 102. REBUTTAL OF ATTACKS ON THE VICTIM'S CHARACTER.

Rule 404(a)(1) of the Federal Rules of Evidence is amended by inserting before the semicolon the following: '', or, if an accused offers evidence of a pertinent trait of character of the victim of the crime, evidence of a pertinent trait of character of the accused offered by the prosecution''.

SEC. 103. VICTIM'S RIGHT OF ALLOCUTION IN SENTENCING.

Rule 32 of the Federal Rules of Criminal Procedure is amended—

(1) in subdivision (c)(3)(E), by striking ''if sentence is to be imposed for a crime of violence or sexual abuse,''; and

(2) by amending subdivision (f) to read as follows:

''(f) DEFINITION.—For purposes of this rule, 'victim' means any individual against whom an offense has been committed for which a sentence is to be imposed, but the right of allocution under subdivision (c)(3)(E) may be exercised instead by—

''(1) a parent or legal guardian if the victim is below the age of 18 years or is incompetent; or

''(2) one or more family members or relatives designated by the court if the victim is deceased or incapacitated,

if such person or persons are present at the sentencing hearing, regardless of whether the victim is present.''.

SEC. 104. RIGHT OF THE VICTIM TO FAIR TREATMENT IN LEGAL PROCEEDINGS.

The following rules, to be known as the Rules of Professional Conduct for Lawyers in Federal Practice, are enacted as an appendix to title 28, United States Code:

''RULES OF PROFESSIONAL CONDUCT FOR LAWYERS IN FEDERAL PRACTICE

''Rule 1. Scope

''(a) These rules apply to the conduct of lawyers in their representation of clients in relation to proceedings and potential proceedings before Federal tribunals.

''(b) For purposes of these rules, 'Federal tribunal' and 'tribunal' mean a court of the United States or an agency of the Federal Government that carries out adjudicatory or quasi-adjudicatory functions.

''Rule 2. Abuse of Victims and Others Prohibited

''(a) A lawyer shall not engage in any action or course of conduct for the purpose of increasing the expense of litigation for any person, other than a liability under an order or judgment of a tribunal.

''(b) A lawyer shall not engage in any action or course of conduct that has no substantial purpose other than to distress, harass, embarrass, burden, or inconvenience another person.

''(c) A lawyer shall not offer evidence that the lawyer knows to be false or attempt to discredit evidence that the lawyer knows to be true.

''Rule 3. Duty of Enquiry in Relation to Client

''A lawyer shall attempt to elicit from the client a truthful account of the material facts concerning the matters in issue. In representing a client charged with a crime or civil wrong, the duty of enquiry under this rule includes—

''(1) attempting to elicit from the client a materially complete account of the alleged criminal activity or civil wrong if the client acknowledges involvement in the alleged criminal activity or civil wrong; and

''(2) attempting to elicit from the client the material facts relevant to a defense of alibi if the client denies such involvement.

''Rule 4. Duty To Expedite Litigation

''(a) A lawyer shall seek to bring about the expeditious conduct and conclusion of litigation.

''(b) A lawyer shall not seek a continuance or otherwise attempt to delay or prolong proceedings in the hope or expectation that—

''(1) evidence will become unavailable;

''(2) evidence will become more subject to impeachment or otherwise less useful to another party because of the passage of time; or

''(3) an advantage will be obtained in relation to another party because of the expense, frustration, distress, or other hardship resulting from prolonged or delayed proceedings.

''Rule 5. Duty To Prevent Commission of Crime

''(a) A lawyer may disclose information relating to the representation of a client, including information obtained from the client, to the extent necessary to prevent the commission of a crime or other unlawful act.

''(b) A lawyer shall disclose information relating to the representation of a client, including information obtained from the client, when disclosure is required by law.

''(c) A lawyer shall disclose information relating to the representation of a client, including information obtained from the client, to the extent necessary to prevent—

''(1) the commission of a crime involving the use or threatened use of force against a person, or a substantial risk of death or serious bodily injury to a person; or

''(2) the commission of a crime of sexual assault or child molestation.

''(d) For purposes of this rule, 'crime' means a crime under the law of the United States or the law of a State, and 'unlawful act' means an act in violation of the law of the United States or the law of a State.''.

SEC. 105. USE OF NOTICE CONCERNING RELEASE OF OFFENDER.

Section 4042(b) of title 18, United States Code, is amended by striking paragraph (4).

SEC. 106. BALANCE IN THE COMPOSITION OF RULES COMMITTEES.

Section 2073 of title 28, United States Code, is amended—

(1) in subsection (a)(2), by adding at the end the following: ''On each such committee that makes recommendations concerning rules that affect criminal cases, including the Federal Rules of Criminal Procedure, the Federal Rules of Evidence, the Federal Rules of Appellate Procedure, the Rules Governing Section 2254 Cases, and the Rules Governing Section 2255 Cases, the number of members who represent or supervise the representation of defendants in the trial, direct review, or collateral review of criminal cases shall not exceed the number of members who represent or supervise the representation of the Government or a State in the trial, direct review, or collateral review of criminal cases.''; and

(2) in subsection (b), by adding at the end the following: ''The number of members of the standing committee who represent or supervise the representation of defendants in the trial, direct review, or collateral review of criminal cases shall not exceed the number of members who represent or supervise

the representation of the Government or a State in the trial, direct review, or collateral review of criminal cases.''.

TITLE II—DOMESTIC VIOLENCE

SEC. 201. DEATH PENALTY FOR FATAL DOMESTIC VIOLENCE OFFENSES.

Sections 2261(b)(1) and 2262(b)(1) of title 18, United States Code, are each amended by inserting ''or may be sentenced to death'' after ''years,''.

SEC. 202. EVIDENCE OF DEFENDANT'S DISPOSITION TOWARD VICTIM IN DOMESTIC VIOLENCE CASES AND OTHER CASES.

Rule 404(b) of the Federal Rules of Evidence is amended by striking ''or absence of mistake or accident'' and inserting ''absence of mistake or accident, or a disposition toward a particular individual''.

SEC. 203. BATTERED WOMEN'S SYNDROME EVIDENCE.

Rule 702 of the Federal Rules of Evidence is amended by adding at the end the following: ''Testimony that may be admitted pursuant to this rule includes testimony concerning the behavior, and mental or emotional conditions of victims to explain a victim's failure to report or delay in reporting an offense, recantation of an accusation, or failure to cooperate in the investigation or prosecution.''.

SEC. 204. HIV TESTING OF DEFENDANTS IN SEXUAL ASSAULT CASES.

(a) IN GENERAL.—Chapter 109A of title 18, United States Code, is amended by adding at the end the following new section:

''§ 2249. Testing for human immunodeficiency virus; disclosure of test results to victim; effect on penalty

''(a) TESTING AT TIME OF PRETRIAL RELEASE DETERMINATION.—In a case in which a person is charged with an offense under this chapter, upon request of the victim, a judicial officer issuing an order pursuant to section 3142(a) shall include in the order a requirement that a test for the human immunodeficiency virus be performed upon the person, and that followup tests for the virus be performed 6 months and 12 months following the date of the initial test, unless the judicial officer determines that the conduct of the person created no risk of transmission of the virus to the victim, and so states in the order. The order shall direct that the initial test be performed within 24 hours, or as soon thereafter as feasible. The person shall not be released from custody until the test is performed.

''(b) TESTING AT LATER TIME.—If a person charged with an offense under this chapter was not tested for the human immunodeficiency virus pursuant to subsection (a), the court may at a later time direct that such a test be performed upon the person, and that followup tests be performed 6 months and 12 months following the date of the initial test, if it appears to the court that the conduct of the person may have risked transmission of the virus to the victim. A testing requirement under this subsection may be imposed at any time while the charge is pending, or following conviction at any time prior to the person's completion of service of the sentence.

''(c) TERMINATION OF TESTING REQUIREMENT.—A requirement of followup testing imposed under this section shall be canceled if any test is positive for the virus or the person obtains an acquittal on, or dismissal of, all charges under this chapter.

''(d) DISCLOSURE OF TEST RESULTS.—The results of any test for the human immunodeficiency virus performed pursuant to an order under this section shall be provided to the judicial officer or court. The judicial officer or court shall ensure that the results are disclosed to the victim (or to the victim's parent or legal guardian, as appropriate), the attorney for the Government, and the person tested. Test results disclosed pursuant to this subsection shall be subject to section 40503(b) (5) through (7) of the Violent Crime Control Act of 1994 (42 U.S.C. 14011(b)). Any test result of the defendant given to the victim or the defendant must be accompanied by appropriate counseling, unless the recipient does not wish to receive such counseling.

''(e) EFFECT ON PENALTY.—The United States Sentencing Commission shall amend existing guidelines for sentences for offenses under this chapter to enhance the sentence if the offender knew or had reason to know that the offender was infected with the human immunodeficiency virus, except where the offender did not engage or attempt to engage in conduct creating a risk of transmission of the virus to the victim.''.

(b) TECHNICAL AMENDMENT.—The analysis for chapter 109A of title 18, United States Code, is amended by inserting at the end the following new item:

''2249. Testing for human immunodeficiency virus; disclosure of test results to victim; effect on penalty.''.

(c) AMENDMENTS TO TESTING PROVISIONS.—Section 40503(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14011(b)) is amended—

(1) by amending the heading to read as follows: ''(b) TESTING OF DEFENDANTS.—'';

(2) in paragraph (1)—

(A) by inserting '', or the Government in such a case,'' after ''subsection (a)'';

(B) by inserting ''(or to the victim's parent or legal guardian, as appropriate)'' after ''communicated to the victim''; and

(C) by inserting '', unless the recipient does not wish to receive such counseling'' after ''counseling''; and

(3) in paragraph (2)—

(A) by striking ''To obtain an order under paragraph (1), the victim must demonstrate that'' and inserting ''The victim or the Government may obtain an order under paragraph (1) by showing that'';

(B) in subparagraph (A)—

(i) by striking ''the offense'' and inserting ''a sexual assault involving alleged conduct that poses a risk of transmission of the etiologic agent for acquired immune deficiency syndrome''; and

(ii) by inserting ''and'' after the semicolon;

(C) in subparagraph (B), by striking ''after appropriate counseling; and'' and inserting a period; and

(D) by striking subparagraph (C).●

● Mrs. FEINSTEIN. Mr. President, I offer my strong support for the Victim Rights and Domestic Violence Prevention Act, which I am pleased to cosponsor with Senators KYL and DEWINE. I also want to commend my colleague from Arizona the cooperative spirit he has shown in working with me on this and other efforts to help crime victims, and for addressing this important issue which is now so prominently, and tragically, in the news.

Nearly every American knows the plight of Nicole Brown Simpson. Who among us hasn't read of, or heard of, or discussed the tragic circumstances of her case?

But, Mr. President, what about the thousands of women who suffer the terrible physical and emotional effects of domestic violence in silent anonymity every day all across the Nation? And, what about the women who do stand up to domestic abusers and seek refuge from them from a justice system that seemingly doesn't care?

It is for those women that I rise today to offer my strong support for this much needed bill.

Last year, Congress acknowledged that action must be taken to stop domestic violence when it passed the Violence Against Women Act as part of the President's crime bill.

The Violence Against Women Act is designed to, among other things, provide funding for: Local programs for victims' services; battered women's shelters; rape education and community prevention programs; a national family violence hotline; and increased security in public places.

I strongly believe that this landmark legislation will go a long way toward reducing domestic abuse and helping its victims recover from their ordeals.

Today, we continue the work begun by the Violence Against Women Act.

Much more needs to be done to protect the rights of the victims of domestic and sexual violence and to stop these heinous crimes.

Let us not underestimate the magnitude of this problem: According to the National Coalition of Physicians Against Family Violence, domestic violence strikes one in four families in the United States; the FBI has reported that a women is beaten every 18 seconds in the United States; and the Senate Judiciary Committee reported in 1992 that three to four million women are battered each year.

In my own State, the attorney general has reported that there were 251,233 domestic violence-related calls for assistance from law enforcement last year. Of those cases, 155,944 calls involved a perpetrator attacking his victim with a personal weapon—such as his hands or feet.

According to the FBI, a women is raped every five minutes in this country; in 1994 alone, there were 102,296 rape or attempted rape cases reported to law enforcement; and in California, there were 10,960 cases of forcible rape that year.

Domestic violence touches too many woman. It must be stopped by making the court system more user-friendly to the victims of this crime, and those who inflict it must be more severely punished. This bill accomplishes those two important goals.

EQUAL PROTECTION FOR VICTIMS

This bill will make the court system more user-friendly in several ways:

First, it protects the right of victims to an impartial jury by equalizing the number of peremptory challenges afforded to the defense and the prosecution in jury selection.

Second, this bill provides that if a defendant in a criminal case presents negative evidence about the victim's character, the victim's defense lawyer can present character evidence concerning the defendant. Mr. President, too many women who take their abusers to court must suffer the double indignity of having their own characters

attacked. It's time to level the playing field.

Third, it extends the right of victims to address the court concerning the sentence to all criminal cases.

Fourth, the bill establishes higher standards of professional conduct for lawyers in Federal cases to protect victims and other witnesses from abuse, and to promote the effective search for the truth. It does this by requiring hat lawyers in Federal cases: not engage in conduct for the purpose of increasing litigation expenses; not engage in conduct designed just to harass another person; not offer false evidence, or discredit true evidence; elicit a full account of the events from the lawyer's client; not necessarily delay litigation; must disclose information that the client intends to commit a crime of violence; and may disclose information that the client intends to commit other crimes.

Fifth, it removes the restriction that limits use of notices that violent Federal offenders will be released to law enforcement purposes. This will allow victims to be informed when their assailant is back in the community.

Finally, the bill requires that prosecutors have the same level of representation on committees that make court rules as defense attorneys do. This will ensure that fair, balanced rules are enacted, which do not favor criminals over prosecutors.

DOMESTIC VIOLENCE

I also strongly believe that swift, sure action must be taken to stop domestic violence, and that penalties must be increased for those who commit this heinous crime.

This bill includes a provision to authorize capital punishment, under Federal interstate domestic violence offenses, for cases in which the offender murders the victim.

That's tough punishment for perpetrators who think domestic violence is something that goes on behind closed doors, where it's OK for them to beat their wives, or girlfriends, or mothers or sisters because it's their prerogative. Well, Mr. President, domestic violence is no one's prerogative and this bill provides tough punishment for criminals who deserve it.

This bill also makes two changes in the rules of evidence, to help victims of domestic violence. First, it allows evidence of the defendant's past crimes or wrongful acts against the victim to be introduced, to establish a pattern of abuse.

Second, it allows evidence of battered women's syndrome to be introduced, to show why some women are driven to retaliate against their abusers.

Finally, the bill fights those who transmit HIV in sexual assaults, by requiring that: sentences be toughened if the offender knew he was infected; upon request of the victim, the offender must be tested for HIV before he is released; and follow-up testing be done on sexual assailants.

CONCLUSION

Mr. President, right now too many women fear for their safety and too many women suffer physically and emotionally from domestic violence. We can do something about it. I urge my colleagues to support the Victim Rights and Domestic Violence Prevention Act of 1995.●

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1212

At the request of Mr. COATS, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1212, a bill to provide for the establishment of demonstration projects designed to determine the social, civic, psychological, and economic effects of providing to individuals and families with limited means an opportunity to accumulate assets, and to determine the extent to which an asset-based welfare policy may be used to enable individuals and families with low income to achieve economic self-sufficiency.

S. 1317

At the request of Mr. D'AMATO, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1317, a bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1995, and for other purposes.

S. 1360

At the request of Mr. BENNETT, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1360, a bill to ensure personal privacy with respect to medical records and health care-related information, and for other purposes.

S. 1392

At the request of Mr. BAUCUS, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1392, a bill to impose temporarily a 25-percent duty on imports of certain Canadian wood and lumber products, to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to such products, and for other purposes.

S. 1453

At the request of Mr. BURNS, the names of the Senator from North Dakota [Mr. DORGAN] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 1453, a bill to prohibit the regulation by the Secretary of Health and Human Services and the Commissioner of Food and Drugs of any activities of sponsors or sponsorship programs connected with, or any advertising used or purchased by, the Professional Rodeo Cowboy Association, its agents or affiliates, or any other professional rodeo association, and for other purposes.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Wednesday, December 20, 1995 at 9:30 a.m. in room SD–366 of the Dirksen Senate office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 594 and H.R. 1296, bills to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer and to review a map associated with the San Francisco Presidio. Specifically, the purposes are to determine which properties within the Presidio of San Francisco should be transferred to the administrative jurisdiction of the Presidio Trust and to outline what authorities are required to ensure that the Trust can meet the objective of generating revenues sufficient to operate the Presidio without a Federal appropriation.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the committee staff

AUTHORITY FOR COMMITTEES TO MEET.

COMMITTEE ON FOREIGN RELATIONS

Mr. THOMAS. Mr President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, December 15, 1995, at 2:00 p.m.

The PRESIDING OFFICER. Without ojective, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. THOMAS. Mr President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for hearing on the Fair Labor Standards Act and the Minimum Wage, during the session of the

Senate on Friday, December 15, 1995, at 9:30 a.m.

The PRESIDING OFFICER. Without ojective, it is so ordered.

SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT AND RELATED MATTERS

Mr. THOMAS. Mr President, I ask unanimous consent that the Special Committee to Investigate Whitewater Development and Related Matters be authorized to meet during the session of the Senate on Friday, December 15, 1995 to conduct a hearing pursuant to Senate Resolution 120.

The PRESIDING OFFICER. Without ojective, it is so ordered.

ADDITIONAL STATEMENTS

SUPPORT FOR THE AMERICAN UNIVERSITY OF BEIRUT AND LEBANESE AMERICAN UNIVERSITY

• Mr. ABRAHAM. Mr. President, I rise today to comment on an issue which has important policy implications for the United States as a world leader in promoting education. With the end of the cold war, we, as a nation, must reexamine how the United States can most appropriately provide world leadership in the future. The need for the United States to continue to provide such leadership is not a serious contention. However, as we debate a foreign policy direction that will advance American interests in a more interdependent world, we should bear two important considerations in mind: We must act with budgetary responsibility and we must not assume that government itself is always the best agent to implement our international goals.

I believe that private entities, such as educational institutions, have an important role to play in advancing our foreign policy goals. American education is recognized throughout the world as one of our greatest national assets, and it can be invaluable in shaping America's image abroad, promoting political and social pluralism, instilling the American ideals of tolerance and freedom of expression, expanding markets for U.S. commodities and products, and encouraging private initiative and economic growth.

An American education is prestigious and in high demand in virtually every country. Those receiving such an education frequently rise to their country's most senior leadership positions in government and in the private sector. As effective instruments to spread American influence, privately sponsored American educational institutions undoubtedly surpass direct U.S. Government programs. Quite modest levels of government assistance can be leveraged by these private institutions to achieve fundamentally important American goals, and do so without costly government bureaucracy.

In no part of the world can the contribution of American education to United States foreign policy be of greater significance than in the Middle East. Fortunately, we are in a strong position to use education as a cornerstone of our policy there because of the presence of two American educational institutions with which I happen to be personally acquainted: The American University of Beirut [AUB] and the Lebanese American University [LAU]. The excellent work of these two institutions deserve special attention. Both schools have long proved themselves as beacons of tolerance and rationality in that part of the world. Furthermore, in the future, these schools will have an increased importance as the Middle East looks for the institutional structures which will help the region move from the currently emerging formal peace to a more lasting warm peace.

Mr. President, as we know, the future of Lebanon, in no small measure, rests with the talent, intellect, and ingenuity of its people, especially the youth. Educating young Lebanese is essential, therefore, to rebuilding the country. LAU and AUB are instrumental in this rebuilding. These universities, moreover, promote the use of American-made goods, enhancing international reliance on American goods and services. Students who are educated by using American computers, for example, will rely on American computers when they pursue their careers. Furthermore, these institutions nurture democracy by educating successive generations of leaders who are committed to American democratic values and who understand the tangible economic, political, and social benefits that a commitment to democracy producers.

These New York State chartered institutions continue to have strong American ties and a long tradition of teaching students the value of an American education. As a result, their students learn to appreciate such fundamental American values as tolerance, freedom of thought and expression, and private initiative. Maintaining these attributes is extremely important to the people of Lebanon as well as to those in the region of the Middle East.

The American University of Beirut and the Lebanese American University have nurtured the best American tradition of voluntarism. Having been established by individual citizens motivated by a strong conviction, these institutions have had a responsibility to better society. Such a tradition continues today. I believe it is good policy for us to encourage this spirit of voluntarism and, in the process, achieve important United States goals such as helping to rebuild Lebanon's democracy and promoting regional sustainable development.

These educational institutions also help promote American culture and values amongst the influential decision makers in the Middle East. These universities train students who are then able to communicate, share values, and work with Americans in business, government the sciences, and other mutually beneficial endeavors. This has a direct impact on promoting free-market reforms in the countries of the Middle East. Graduates of AUB and LAU appreciate American entrepreneurship and market-based economies, and from their positions as leaders in both private firms and public agencies, they guide their countries in this direction. Their familiarity with American culture and products also opens opportunities for the United States to develop export markets and investments in the region.

AUB and LAU also are addressing other problems of concern to Americans such as health and environmental issues. They engage in innovative programs of study and research on issues of water quality, migration patterns, desertification and pollution abatement. Both institutions are leaders in high quality health care in the Middle East, which advances America's concern with global public health.

But perhaps the single most important contribution these institutions are making to American interests in the region comes in connection with the Middle East Peace process. They have given vital assistance to that process by creating an intellectual climate that encourages rational dialogue, and by educating men and women with the vision and skills to achieve conciliation and cooperation. And once a formal peace is finally achieved, AUB and LAU will be in the forefront to encourage a warm peace of meaningful interaction among all parties in the region.

The Administration, Mr. President, will soon deal with the difficult funding choices as the budget necessarily begins to decrease. And I understand that budget realities may dictate assistance to a smaller number of universities abroad than in the past. However, as decisions are being made to allocate funding levels, I strongly urge the Administration to maintain as a high priority continued funding for the American University of Beirut and the Lebanese American University. I am not alone in this conclusion, as clearly reflected by the language contained in both the House and Senate Appropriations Committee reports. The Senate report states:

The Committee continues to strongly support the important work carried out by institutions funded under the American Schools and Hospitals Abroad (ASHA) Program. The Committee support is based in part on the effective use of public resources to leverage private sector funds. The Committee believes that several institutions which have received funding under ASHA have distinguished records and deserve further support including: The American University of Beirut which has trained Middle Eastern leaders for 130 years in a strong liberal arts tradition encouraging freedom of expression, private initiative, and tolerance. Its academic quality, longstanding relationship with regional governments, network of prominent alumni and distinction as a hub of high level global expertise make the university a primary resource for regional development. The Lebanese American University

(formerly Beirut College) is the most rapidly growing institution of higher learning in Lebanon and is an increasingly important resource for talent in this expanding region.

The House report contains similar language.

The Committee notes that over the years a number of quality educational institutions have received both development and Economic Support Fund assistance, including the American University of Beirut, . . . and the Lebanese American University. The Committee recommends that best efforts be made to continue assistance for institutions of this nature, with the highest priority assigned to those lacking alternative sources of funding.

Mr. President, I believe that continued support of these two institutions is in the national interest of the United States. As I have stated, continued funding of these institution is a congressional priority and I hope that the administration will agree.●

THE BENEFITS OF LEGAL IMMIGRATION

Mr. SIMON. Mr. President, as immigration reform legislation moves closer to the House and Senate floors, a new study has appeared that confirms what many of us on both sides of the aisle have been saying all along: That legal immigrants confer net economic benefits on American society.

The study, entitled ''Immigration: The Demographic and Economic Facts,'' is authored by University of Maryland professor Julian SIMON (no relation) and published by the Cato Institute and the National Immigration Forum in association with a diverse coalition of over 20 organizations. I would like to include for the RECORD a Los Angeles Times article from December 11, 1995 previewing the report's findings, which include the following:

The current rate of immigration is only about one-third the rate of immigration at the beginning of the century.

Total per capita government expenditures are lower for immigrants than for native-born Americans.

The effect of immigration on Americans' wages is limited.

Because new immigrants are more concentrated than native-born Americans in the youthful labor force ages, they tend to contribute more to the public coffers than they draw out.

Educational levels among immigrants have increased from decade to decade.

These conclusions again confirm that current levels of legal immigration are not a problem for America. In fact, the legal immigrants of today demonstrate the same work ethic and imagination that characterized their predecessors of decades ago, and continue to be a vital component of our Nation's well-being.

The same cannot be said of illegal immigrants. These individuals should be the subject of our attention as immigration reform legislation winds its way through Congress. This administration has demonstrated an unprecedented commitment to preventing illegal immigration through increased enforcement at the border and in the workplace. We in Congress should continue this effort and work hand in hand with the administration in this endeavor. In so doing, however, we should not disturb our system of legal immigration, which works now and has worked in America for centuries.

The difference between legal and illegal immigration is the subject of much public confusion. It is up to Congress, with the help of such reports as the SIMON report, to keep the two issues distinct, and to focus its attention on the real immigration problem: illegal immigration.

The article follows:

[From the Los Angeles Times, Dec. 11, 1995]

STUDY PAINTS A POSITIVE PICTURE OF IMMIGRATION

COSTS: BOTH LEGAL AND ILLEGAL IMMIGRANTS USE FEWER GOVERNMENT RESOURCES THAN NATIVE-BORN CITIZENS, REPORT SAYS

(By James Bornemeier)

WASHINGTON.—A new study on the effects of immigration finds that total per capita government expenditures are much lower for immigrants—legal and illegal—than for native-born citizens.

The report also paints an upbeat picture of immigrants' educational achievements and asserts that the nation's natural resources and environment are unaffected by the influx of immigrants.

''As of the 1970s, immigrants contributed more to the public coffers in taxes than they drew out in welfare services,'' the report says. ''The most recent data * * * show that each year an average immigrant family put about $2,500 into the pockets of natives from this excess of taxes over public costs.''

The study, to be issued this morning in Washington by the National Immigration Forum, an immigration-advocacy group, and the Cato Institute, a conservative think tank, comes at a time when Congress is wrestling with major immigration bills and public opinion is increasingly negative on immigration issues.

Legislation is progressing in both houses of Congress to clamp down on illegal immigration and—to the dismay of many immigration advocates—restrict entry of legal immigrants as well.

The issue has split Republicans, some of whom see the free flow of legal immigrants as an economic boon to the country. Immigrant-rights groups say the political activism to stem illegal immigration has unfairly led to the limitations on legal immigrants.

But groups pushing for stronger restrictions on immigration branded the report, authored by University of Maryland professor Julian L. Simon, as biased.

''Julian Simon is not a liar,'' said Dan Stein, executive director of the Federation for American Immigration Reform, ''but he gets as close as anyone can be to one. He is intentionally deceptive, manipulative and grossly in error.'' Signifying the sensitivity of the issue, more than 20 interest groups and think tanks have signed on to the report, and they span the political spectrum—from the immigrant-rights group, the National Council of La Raza, to the Progress and Freedom Foundation, an organization closely associated with House Speaker Newt Gingrich.

House Majority Leader Dick Armey, a strong supporter of legal immigration, is scheduled to address the Capitol press conference where the report is to be released today.

Among the report's most controversial findings is Simon's conclusion that government expenditures are lower for immigrants than for native-born Americans.

According to the report, the average immigrant family received $1,404 in welfare services in its first five years in the country. Native-born families averaged $2,279, Simon writes. The report makes these other points:

The number of illegal immigrants in the United States—estimated at 3.2 million—is not very different from a decade before.

More than half of illegal immigrants enter legally and over-stay their visas; less than half enter clandestinely.

New immigrants are more concentrated than native-born citizens in the youthful labor force ages when people contribute more to the public coffers than they draw out.

Immigrants on average have a year less education than natives—about the same relationship as has been observed back to the 19th century.

Such optimistic findings collide with the views of other researchers.

''His numbers are conventional and unremarkable,'' said Mark Krikorian of the Center for Immigration Studies in Washington, ''The question is what sort of spin Julian puts on them. He has his bias, and the bias has a very significant influence on the interpretation he has put on the facts.''

As an example, Simon says the number of immigrant high school dropouts has been declining. For example, Krikorian said, Simon reports that the number of immigrant high school dropouts has been declining.

''But what he doesn't mention,'' said Krikorian, ''is the gap between the percentage of American high school dropouts and the percentage of immigrant high school dropouts is widening. It's pretty obvious that the education gap is increasing. By not addressing [that] he makes his document an advocacy document.''●

TRIBUTE TO PATTY CALLAGHAN

● Mr. BAUCUS. Mr. President, I wish today to give tribute to one of Eastern Montanan's treasures, Patty Callaghan. Patty recently retired after 20 years with Action for Eastern Montana.

Patty retired as executive director to attend Luther Seminary in St. Paul MN. She hopes to return to eastern Montana as a lay leader with rural churches.

Montana needs more leaders like Patty Callaghan. Rural Montana needs the love for and knowledge of our state that people like Patty have.

Patty's work with action actually led to here decision to choose the seminary. When funding cutbacks in the programs that she administers forced her to look to other resources, Patty found the churches responding generously. She found the needs of rural communities to be much the same as the congregations—energy, leadership for change, accountability, respect and compassion.

Patty has dealt with many family issues that will serve her will in her new life. She found the work at Action for Eastern Montana rewarding and the Glendive community generous when a need was identified.

In a recent tribute to Patty, family members, coworkers, friends and many

others including Montana's Governor Marc Racicot expressed their respect and appreciation for her life's work.

I would also like to express my profound respect and admiration for Patty Callaghan and what she has done for eastern Montana. Public service can bring out the best and worst in people. With Patty, her compassion and caring has only deepened. Eastern Montana desperately needs this commitment to its communities.

Thank you, Patty. We wish you the best and look forward to seeing you again soon.●

HATE SPEECH ON NET

● Mr. SIMON. Mr. President, I would like to draw my colleagues' attention to an editorial in the November 17, 1995, issue of USA Today, called Hate Speech on the Net.

As many of my colleagues are aware, college campuses have been at the center of the debate over hate speech. Several universities have established restrictive rules on speech and have punished students with probation or even dismissal. These rules, while certainly established with the best intentions, do raise serious issues of free speech.

As Americans, we are allowed to say what we want, as long as it does not threaten public safety, no matter how much it may offend others. Voltaire is credited with saying, ''I disagree with what you say but I am ready to fight to the death to preserve your right to say it.'' I would like to add: and then I will speak out against what you have said. As this editorial points out, a recent episode at Cornell University illustrates that a better response to hate speech is often an eloquent reply.

I ask that the full text of the editorial be printed in the RECORD.

The editorial follows:

[From USA Today, Nov. 17, 1995]

HATE SPEECH ON THE NET

A tasteless but not harmless college prank got the national attention it deserved this week when four Cornell freshmen made the mistake of sharing their raunchy degradation of women via the Internet.

The four sent an e-mail message listing ''75 reasons why women (bitches) should not have freedom of speech.'' After the message was spread—and attacked—they expressed ''deep remorse.'' In an apology published in the campus newspaper, they insisted they didn't mean any of the things they wrote.

Please.

If they didn't mean to trash women, why was their list so demeaning, degrading and threatening? If they meant to share this list with just a few of their buddies, why did they send it on the Internet, where so many other students pulled up the list that at least one school's computer system crashed?

Their juvenile attempts at humor included such sexist slaps as: ''Big breasts speak for themselves.'' ''Female drunks are annoying unless they put out.'' ''If she can't speak, she can't cry rape.'' Other suggestions were simply too vulgar to repeat.

Freshmen with the brains to get into a prestigious Ivy League college should have known this list was not harmless fun.

Cornell acknowledged this episode ''offended, angered and distressed.'' But its judicial administrator concluded Thursday that the students did not violate the college's code of conduct.

That judgment will further infuriate those outraged by this sexist attack. But this sorry tale takes a turn for the better.

As the students' bad taste became public, the e-mail response was so loud and large that it brought a prompt response from the university

The students now have ''offered'' to attend gender-sensitivity training, perform community service and apologize in person to senior Cornell administrators.

Had the students been denied the right to make their sexist views public, those views might have gone unchallenged and unchanged. All of which shows again that the best remedy for offensive speech is not a restrictive rule but an eloquent reply.●

TRIBUTE TO MS. ELEANOR L. CARTER

Mr. SIMON. Mr. President, I would like to commend one of my constituents, Ms. Eleanor L. Carter, on the occasion of her retirement from the Federal Government.

Ms. Carter, a native of Chicago, IL, will retire as a claims representative with the Social Security Administration after 35 years of service. She started work on August 11, 1960 as a ''balancing clerk'' for the U.S. Department of Treasury. After a year of service, Ms. Clark transferred to the Social Security Administration, and after several promotions, she continues to be an asset in her capacity as a claims representative.

Mr. President, I join Ms. Carter's family and many friends in congratulating her on an exemplary career, and wishing her all the best for the future. Illinois has benefitted greatly from her superb service.

COMPUTER BETTORS CAN BE SURE OF LOSING

Mr. SIMON. Mr. President, Richard Roeper, who is a regular columnist with the Chicago Sun-Times, recently had a column headed, ''Computer Bettors Can Be Virtually Sure of Losing,'' which I ask to be printed in the RECORD in full after my remarks.

It is not simply an editorial column with that conclusion. Mr. Roeper goes into the specifics of what happened to him when he placed bets.

Some people wonder why we should have a commission to look at the whole phenomenon of legalized gambling in the United States.

It is spreading rapidly, and I don't know what we do about the phenomenon of computers and gambling, just as one example.

The column follows:

[From the Chicago Sun-Times, Dec. 10, 1995]

COMPUTER BETTORS CAN BE VIRTUALLY SURE OF LOSING

(By Richard Roeper)

''The technology will allow people to bet on anything they choose to, and if it's legal, someone is sure to set up a service.''—Bill Gates, discussing the potential for gambling on the Internet in The Road Ahead.

Sooner rather than later, you're probably going to be able to sit at a computer in your home office and lose everything you own, including the computer you're sitting at in your home office.

Such are the perils of gambling and the wonders of technology.

Lately there's been a lot of talk about setting up ''virtual casinos'' on the information highway—onscreen gambling emporiums that will be constructed on computer networks so that you won't have to fly to Las Vegas or even drive out to Aurora to play craps or roulette or poker. All you'll have to do is log on, enter an access code, provide a credit card number and bingo!

Bingo. They'll probably have that, too.

If you win, you'll receive electronic credits. If you lose, you'll be charged on your next Visa or American Express statement.

This is a frightening concept. As it is, real casinos are designed to provide a cushion between you and reality. The absence of clocks, the lack of windows, the waitresses providing you with complementary drinks, the conversion of hundred-dollar bills into toyish black chips that you flick around like bottle caps—all are tools to make it easier to separate you from your money.

And it works. Those huge, tacky, gleaming, zillion-dollar palaces in Las Vegas are owned by the folks who are taking the bets, not the folks who are making the bets. They build the 5,000-room hotels and the cages for the white tigers and the pirate ships and the fake pyramids with your money.

Still, at least when you bet with chips, you're vaguely aware that they represent real money. Watching a stack of those chips shrink can be a painful experience; you can see and feel some proof of the fact that you're losing.

Others around you, including the employees of the casino and your fellow gamblers, also provide some stimuli. But if you're alone at a keyboard, there's no human element, nobody to cluck in sympathy when you lose, or slide some chips your way when you win. There's no sense that you're truly risking your money. So it will be ridiculously, tragically easy for the gambler to log on and lose a huge chunk of money in a single session online.

I put this theory to the test by playing a three-day round of blackjack on my personal computer and keeping a record of my ''wins'' and ''losses.''

The game on my Windows '95 program is called ''Dr. Blackjack.'' Little boxes at the top of the screen keep track of wins and losses for each session, as well as a running tally for a player.

Monday, 8:43 a.m. I set the computer for $50 wagers and tell the electronic dealer to deal—and our respective cards appear on the screen almost instantly. With a click of the mouse, I can then decide to stay, hit, split, double down, even buy insurance against a dealer blackjack. As soon as I make my decision, the computer plays out the dealer's hand in literally the blink of an eye, much faster than the slickest human dealer.

By 9 a.m. I'm up $450, each winning hand accompanied by an electronic deedle-deedle-dee! of joy, each losing hand stomped on by a sharp buzzer.

After two hours I'm at the $500 mark in winnings. A nice round number, so I sign off. Don't have a stack of chips to pocket, don't have a dealer to tip.

Monday, 4:47 p.m. My plus-$500 total is waiting for me when I sign on. I'm playing with the casino's money, so I up my wager amount to $100 per hand.

Monday, 5:03 p.m. Down $2,300. That is not a misprint. During one stretch I lost nine hands in a row. A note appears on my screen, telling me I've lost too much in one sitting and should take a break.

Somehow I think the virtual casinos of the future won't have that feature.

Monday, 11 p.m. I know I should stay away from the table, but what the heck, I'm here to gamble, right? I'm down $2,300, so it seems unwise to play for only $100 a hand; I'll never get my money back. So I increase my wager to $200.

Boom Boom Boom Boom, four winning hands in a row, including a blackjack, and I'm down only $1,400 now, We're rolling.

Tuesday, 12:35 a.m. It's been a long, hard struggle, but I'm exactly even for the day. Of course, so is everyone else who hasn't played a single hand of blackjack, and they didn't spend four hours sitting at a computer terminal.

Tuesday, 12:39 a.m. Down $800. Should have quit while I was even.

Tuesday, 6:30 a.m. Now betting $300 per hand. Occasionally, when I make the incorrect decision, an electronic ''cheat sheet'' appears on the screen and I'm asked if I'm sure this is the move I want to make. What they're really saying is, ''Split those 8's, bonehead.''

Again I doubt this feature will exist when you're playing for real money. And though I know it's for my benefit, it gets annoying, and sometimes I stubbornly refuse to follow the suggested strategy. I always lose those hands.

Tuesday, 8 a.m. Had a good run. I'm up $1,600. Time for a break.

Tuesday, 6:05 p.m. What the heck, I won money this afternoon and I'm winning money now and I'm ''going home'' after tomorrow's session, so why not increase the bets to my limit, $500?

Tuesday 6:30 p.m. Doubled down with an 11 and drew a 10. The dealer had a 17. That's a $1,000 win on a single hand. I'm now up $4,850.

Tuesday, 8:15 p.m. The computer is saying I've won too much and a graphic appears that accuses me of counting cards! I'm forced to sign off for the night. Up six grand and change.

Wednesday, 7 a.m. In just a few minutes I've raised my winnings to $11,350. If I could press a button that would turn those numbers into real money, would I do it? Doubtful. Why stop when you're hot?

Wednesday, 8:50 p.m. Hovering at the $11,000 mark. Had a great daytime session and I'm ready for more.

Wednesday, 10:30 p.m. I'm looking at the figures on the screen but I don't believe it. How can I be down $11,000? If I hear that loser-buzzer one more time I'm going to smash this keyboard. I want to increase my limit, but I can't. Five hundred is the maximum.

Wednesday, 11 p.m. All right, a comeback. I'm down only $7,750. One hour left before my self-imposed midnight deadline.

Midnight. That's it, time is up. For the three days, I ''lost'' $1,750—and I'm happy with that. I consider that a real triumph.

Which is pretty sick when you think about it.

Sure, this was only a simulation. I'm sure I'd have better self-control with real money, even at a virtual casino. But it was scary enough watching those numbers change so quickly, even though I knew they didn't mean anything.

If virtual casinos ever became a reality, it'll be the people on the other side of the computers who will be smiling.●

FOREIGN RELATIONS REVITALIZATION ACT

The text of the bill H.R. 1561, as passed by the Senate on December 14, 1995, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 1561) entitled ''An Act to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibily reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Foreign Relations Revitalization Act of 1995''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into two divisions as follows:

(1) Division A—Foreign Relations Authorization Act, Fiscal Years 1996–1999.

(2) Division B—Foreign Affairs Reinvention Act of 1995.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

for the fiscal year 1996, $23,000,000 for the fiscal year 1997, $48,500,000 for the fiscal year 1998, and $48,500,000 for the fiscal year 1999.

(7) FOREIGN SERVICE RETIREMENT AND DISABILITY FUND.—For the ''Foreign Service Retirement and Disability Fund'', $125,402,000 for the fiscal year 1996, $125,402,000 for the fiscal year 1997, $132,000,000 for the fiscal year 1998, and $135,000,000 for the fiscal year 1999.

(8) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For ''Payment to the American Institute in Taiwan'', $15,400,000 for the fiscal year 1996, $15,400,000 for the fiscal year 1997, $15,400,000 for the fiscal year 1998, and $15,400,000 for the fiscal year 1999.

(9) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—For ''Protection of Foreign Missions and Officials'', $8,579,000 for the fiscal year 1996, $8,579,000 for the fiscal year 1997, $8,579,000 for the fiscal year 1998, and $8,579,000 for the fiscal year 1999.

(10) CAPITAL INVESTMENT FUND.—For the ''Capital Investment Fund'', $32,800,000 for each of the fiscal years 1996 and 1997 and $25,000,000 for each of the fiscal years 1998 and 1999.

(11) ASIA FOUNDATION.—For ''The Asia Foundation'', not more than $5,000,000 for the fiscal year 1996, and $3,000,000 for each of the fiscal years 1997, 1998, and 1999.

(12) REPATRIATION LOANS.—For ''Repatriation Loans'', $776,000 for the fiscal year 1996 and $700,000 for each of the fiscal years 1997, 1998, and 1999.

(b) FOREIGN CURRENCY EXCHANGE RATES.—In addition to amounts otherwise authorized to be appropriated by subsection (a), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999 to offset adverse fluctuations in foreign currency exchange rates. Amounts appropriated under this subsection shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines and certifies to Congress that such amounts are necessary due to such fluctuations.

SEC. 112. MIGRATION AND REFUGEE ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) MIGRATION AND REFUGEE ASSISTANCE.—There are authorized to be appropriated for ''Migration and Refugee Assistance'' for authorized activities, $721,000,000 for the fiscal year 1996, and $721,000,000 for each of the fiscal years 1997, 1998, and 1999.

(2) ALLOCATION OF FUNDS.—Of the funds authorized to be appropriated by paragraph (1)—

(A) not less than $80,000,000 shall be made available in the fiscal year 1996 for assistance for refugees resettling in Israel from other countries; and

(B) not less than $50,000,000 for each of the fiscal years 1996 and 1997 shall be made available for the Emergency Refugee and Migration Assistance Fund under section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)).

(b) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to subsection (a) are authorized to remain until expended.

CHAPTER 2—AUTHORITIES AND ACTIVITIES

SEC. 121. LEASE-PURCHASE OF OVERSEAS PROPERTY.

(a) AUTHORITY FOR LEASE-PURCHASE.—Subject to subsections (b) and (c), the Secretary is authorized to acquire by lease-purchase such properties as are described in subsection (b), if—

(1) the Secretary of State, and

(2) the Director of the Office of Management and Budget,

certify and notify the appropriate committees of Congress that the lease-purchase arrangement will result in a net cost savings to the Federal Government when compared to a lease, a direct purchase, or direct construction of comparable property.

(b) LOCATIONS AND LIMITATIONS.—The authority granted in subsection (a) may be exercised only—

(1) to acquire appropriate housing for Department of State personnel stationed abroad and for the acquisition of other facilities, in locations in which the United States has a diplomatic mission; and

(2) during fiscal years 1996 through 1999.

(c) AUTHORIZATION OF FUNDING.—Funds for lease-purchase arrangements made pursuant to subsection (a) shall be available from amounts appropriated under the authority of section 111(a)(3) (relating to the Acquisition and Maintenance of Buildings Abroad'' account).

SEC. 122. UNITED STATES EMBASSY BUILDING IN BERLIN, GERMANY.

It is the sense of the Congress that the Secretary of State should—

(1) utilize, as the United States Embassy to Germany, property held by the United States Government under the Foreign Service Building Act, 1926, in the vicinity of the Brandenburg Gate in Berlin, Germany; and

(2) be authorized to make any improvements necessary.

SEC. 123. FEES FOR COMMERCIAL SERVICES.

Section 52 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2724) is amended in subsection (b) by adding the following new sentence at the end: ''Such fees shall remain available for obligation until expended.''.

SEC. 124. REDUCTION OF REPORTING REQUIREMENTS.

(a) PERIOD FOR REPORTING.—Section 488(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291g) is amended by striking ''quarter of the''.

(b) REPEAL.—Section 503(b) of the Foreign Relations Authorization Act, Fiscal Year 1979 (Public Law 95–426) is repealed.

SEC. 125. BUYING POWER MAINTENANCE ACCOUNT.

Section 24 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696) is amended in subsection (b)(7) by striking subparagraph (D).

SEC. 126. CAPITAL INVESTMENT FUND.

Section 135 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2684a) is amended—

(1) in subsection (a), by inserting ''and upgrade'' after ''procurement'';

(2) in subsection (c), by striking ''are authorized to'' and inserting ''shall'';

(3) in subsection (d), by striking all that follows ''available'' and inserting ''for the purposes of subsection (a).''; and

(4) in subsection (e), by striking all that follows ''(22 U.S.C. 2710)'' and before the period at the end.

SEC. 127. ADMINISTRATIVE EXPENSES.

Section 5 of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2605) is amended—

(1) in subsection (a)(1), by inserting before '', and without regard'' the following: ''and other personnel assigned to the bureau charged with carrying out this Act''; and

(2) by striking subsection (c).

SEC. 128. FEE FOR USE OF DIPLOMATIC RECEPTION ROOMS.

Title I of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a et seq.) is amended by adding at the end the following new section:

''SEC. 53. FEE FOR USE OF DIPLOMATIC RECEPTION ROOMS.

''The Secretary of State is authorized to charge a fee for use of the Department of State diplomatic reception rooms. Fees collected under the authority of this section shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of such use and shall remain available for obligation until expended.''.

SEC. 129. CONTRACTS AT POSTS ABROAD.

(a) AVOIDANCE OF DUPLICATIVE PROCUREMENTS.—A contracting officer of an agency of the Federal Government that performs functions at diplomatic and consular posts abroad shall, to the maximum extent practicable, avoid entering into a contract for procurement of property or services that can be procured for that agency under an existing contract, or by a modification (in accordance with subsection (b)) of an existing contract, of another agency of the Federal Government that performs functions at diplomatic and consular posts abroad.

(b) MODIFICATION OF CONTRACTS.—Notwithstanding any provision of law that requires the use of competitive procedures in Federal Government procurements, a contract of an agency of the Federal Government performing functions at diplomatic or consular posts abroad that has been awarded using competitive procedures may be modified to increase the quantity of the property or services to be procured under the contract in order to provide for procurement of the property or services for another agency performing functions at diplomatic or consular posts abroad if the cost to the United States of each unit of the property or services procured under the contract is not increased by the modification.

(c) DEFINITION.—For the purposes of this section, the term ''competitive procedures'' has the meaning given that term in section 4(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(5)).

SEC. 130. EXPENSES RELATING TO CERTAIN INTERNATIONAL CLAIMS AND PROCEEDINGS.

(a) RECOVERY OF CERTAIN EXPENSES.—The Department of State Appropriation Act of 1937 (49 Stat. 1321; 22 U.S.C. 2661), as amended by section 142(b) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204)) is amended in the fifth undesignated paragraph under the heading entitled ''INTERNATIONAL FISHERIES COMMISSION'' by striking ''extraordinary''.

(b) PROCUREMENT OF SERVICES.—Section 38 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710) is amended in subsection (c) by inserting ''personal and'' before ''other support services''.

SEC. 131. DIPLOMATIC TELECOMMUNICATIONS SERVICE.

Section 507 of the Department of State and Related Agencies Appropriations Act, 1995 (Public Law 103–317) is amended in subsections (a) and (b) by striking ''and each succeeding fiscal year'' each place it appears.

SEC. 132. DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Diplomatic Telecommunications Service Program Office (hereafter in this section referred to as ''DTS–PO'') has made significant enhancements to upgrade the worldwide DTS network with high speed, high capacity circuitry as well as improvements at United States embassies and consulates to enhance utilization of the network.

(2) Notwithstanding the improvements that the DTS–PO has made to the DTS network, the current management structure needs to be strengthened to provide a clearly delineated, accountable management authority for the DTS–PO and the DTS network.

(b) REPORT REQUIRED.—No later than three months after the date of enactment of this Act, the two agencies providing the greatest funding to DTS–PO shall submit to the appropriate committees of Congress—

(1) a DTS–PO management plan—

(A) setting forth the organization, mission and functions of each major element of the DTS–PO; and

(B) designating an entity at each overseas post, or providing a mechanism for the designation of such an entity, which will be responsible for the day-to-day administration of the DTS–PO operations; and

(2) a DTS–PO strategic plan containing—

(A) future customer requirements, validated by the DTS customer organizations;

(B) a system configuration for the DTS network which will meet the future telecommunications needs of the DTS customer agencies;

(C) a funding profile to achieve the system configuration for the DTS network;

(D) a transition strategy to move to the system configuration for the DTS network;

(E) a reimbursement plan to cover the direct and indirect costs of operating the DTS network; and

(F) an allocation of funds to cover the costs projected to be incurred by each of the agencies or other entities utilizing DTS to maintain DTS, to upgrade DTS, and to provide for future demands for DTS.

(c) DEFINITION.—As used in this section, the term ''appropriate committees of Congress'' means the Select Committee on Intelligence, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate and the Permanent Select Committee on Intelligence, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.

SEC. 133. INTERNATIONAL CENTER RESERVE FUNDS.

Funds retained by the Secretary of State in the reserve for maintenance and security established pursuant to section 5 of the International Center Act (Public Law 90–533) may be deposited in interest bearing accounts, and the Secretary may retain for the purposes set forth in that section any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress.

SEC. 134. JOINT FUNDS UNDER AGREEMENTS FOR COOPERATION IN ENVIRONMENTAL, SCIENTIFIC, CULTURAL AND RELATED AREAS.

In order to promote the maximum benefits from continued participation in international agreements in effect as of the date of enactment of this Act for cooperation in environmental, scientific, cultural and related areas, appropriated funds that have been made available in fiscal years 1995 and prior fiscal years under the Department of State's program of international environmental, scientific, and cultural cooperation to joint funds or accounts under such agreements may, to the extent specified within the agreement, be deposited in interest bearing accounts prior to disbursement of such funds for the purposes of the program. Interest earned may be retained for use under such agreements for program or administrative purposes, without returning such interest to the Treasury of the United States and without further appropriation by Congress.

SEC. 135. UNITED STATES DIPLOMATIC FACILITIES IN KOSOVA.

The Secretary of State is authorized to lease or otherwise acquire an office and residence in Pristina, Kosova, for use by United States diplomatic or consular personnel.

SEC. 136. ANTIBRIBERY STUDY.

(a) FINDINGS.—The Congress finds that—

(1) United States nationals and companies, and their foreign subsidiaries, are prohibited from bribing foreign officials under the Foreign Corrupt Practices Act of 1977 (Public Law 95–213);

(2) United States trade competitors and nationals of other industrialized countries are not prohibited by law from utilizing bribes in retaining or obtaining foreign procurement contracts;

(3) some countries permit a deduction for income tax purposes for bribes paid to secure foreign business;

(4) effective anticorruption statutes include criminal, commercial, civil, and administrative laws prohibiting bribery of foreign public officials, tax laws which make bribery unprofitable, transparent business accounting requirements that ensure proper recording of relevant payments and appropriate inspection of such records, prohibitions on licenses, government procurement contracts, and public subsidies, and substantial monetary fines for bribery;

(5) the Organization for Economic Cooperation and Development passed a resolution on May 27, 1994, recommending that OECD Member states ''deter, prevent, and combat the bribery of foreign public officials in connection with international business transactions''; and

(6) these initiatives will help strengthen vibrant international trade and export markets and ensure fair competitive conditions for United States exporters.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States should strongly urge universal adoption of the principles set forth in the Foreign Corrupt Practices Act of 1977 (Public Law 95–213) in order that adopting countries implement effective means, in accordance with the legal and jurisdictional principles of such countries, of combating bribery of foreign public officials, including the imposition of administrative, civil, and criminal sanctions for such bribery.

(c) STUDY.—The Secretary of State shall conduct a study to develop, in consultation with the Secretary of Commerce, the Director of the Central Intelligence Agency, the Agency for International Development, the Overseas Private Investment Corporation, the Trade and Development Agency, and the Export-Import Bank of the United States, proposals to end the discrimination against United States exports that result from bribery and corruption in international business transactions.

(d) REPORT.—The Secretary of State shall submit a report containing the proposals developed under subsection (c) to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives not later than 90 days after the date of enactment of this Act. The report and proposals provided to such committees shall—

(1) take into account, discuss, and analyze the laws of our ten primary trade competitors which govern bribery and corruption in overseas business transactions, and include recommendations for the implementation of the resolution on bribery passed by the Organization for Economic Cooperation and Development on May 27, 1994;

(2) include specific recommendations for the universal adoption of the principles set forth in the Foreign Corrupt Practices Act of 1977 (Public Law 95–213);

(3) analyze the feasibility of United States embassies assisting United States businesses when competing for overseas contracts by disclosing information about bribery or corruption of other foreign nationals competing for the contract; and

(4) make recommendations for any legislation which may be necessary or appropriate to carry out such proposals.

(e) DEFINITION.—For the purposes of this section, the term ''bribery'', in the case of a corporation, means the direct or indirect offer or provision by the corporation of any undue pecuniary or other advantage to or for an individual in order to procure business and business contract for the corporation or its subsidiaries.

SEC. 137. BUDGET ACT COMPLIANCE.

The authorities contained in the amendments made in sections 121, 123, 125, 128, 130, 133, 134, 148, 161, and 163 of this Act may be exercised only to the extent or in the amounts provided in appropriations Acts.

CHAPTER 3—PERSONNEL

SEC. 141. AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.

(a) END FISCAL YEAR 1996 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1996—

(1) for the Department of State, shall not exceed 8,700, of whom not more than 740 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, shall not exceed 900, of whom not more than 155 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, shall not exceed 900, of whom not more than 125 shall be members of the Senior Foreign Service.

(b) END FISCAL YEAR 1997 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1997—

(1) for the Department of State, shall not exceed 8,500, of whom not more than 700 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, shall not exceed 800, of whom not more than 140 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, shall not exceed 650, of whom not more than 75 shall be members of the Senior Foreign Service.

(c) DEFINITION.—For the purposes of this section, the term ''members of the Foreign Service'' is used within the meaning of such term under section 103 of the Foreign Service Act of 1980 (22 U.S.C 3903), except that such term does not include—

(1) members of the Service under paragraphs (6) and (7) of such section;

(2) members of the Service serving under temporary resident appointments abroad;

(3) members of the Service employed on less than a full-time basis;

(4) members of the Service subject to involuntary separation in cases in which such separation has been suspended pursuant to section 1106(8) of the Foreign Service Act of 1980; and

(5) members of the Service serving under noncareer limited appointments.

(d) EXCEPTIONS.—(1)(A) Except as provided in subparagraph (B), the numerical limitations contained in subsections (a) and (b) shall not apply to Foreign Service personnel serving under noncareer limited appointments.

(B) The number of Foreign Service personnel serving under noncareer limited appointments may not exceed—

(i) for fiscal year 1996, 5 percent of the aggregate numerical limitation on members of the Foreign Service contained in subsection (a); and

(ii) for each of the fiscal years 1997, 1998, and 1999, 7 percent of the aggregate numerical limitation on members of the Foreign Service contained in subsection (a).

(2) The Secretary of State is encouraged to utilize Foreign Service personnel serving under noncareer limited appointments to perform duties relating to—

(A) export promotion and trade;

(B) information management systems; and

(C) the provision of medical services.

(3) Notwithstanding any other provision of law, the Secretary of State may terminate the appointment of any member of the Foreign Service serving under a noncareer limited appointment before the expiration of the period of the appointment.

SEC. 142. RESTRICTION ON LOBBYING ACTIVITIES OF FORMER UNITED STATES CHIEFS OF MISSION.

Section 207(d)(1) of title 18, United States Code, is amended—

(1) by striking ''or'' at the end of subparagraph (B);

(2) in subparagraph (C), by inserting ''or'' after ''title 3,''; and

(3) by inserting after subparagraph (C) the following new subparagraph:

''(D) serves in the position of chief of mission (as defined in section 102(3) of the Foreign Service Act of 1980),''.

SEC. 143. FOREIGN SERVICE GROUNDING IN UNITED STATES BUSINESS.

It is the sense of the Congress that the Secretary of State, in consultation with the Secretary of Commerce, should require the National Center for Humanities, Education, Languages, and Management Studies, as redesignated by section 152 of this Act, to significantly increase

the emphasis on commercial activity, export promotion, and trade in carrying out its core programs and should offer additional classes in such subjects.

SEC. 144. FOREIGN AFFAIRS ADMINISTRATIVE SUPPORT.

(a) AUTHORIZATION.—The Secretary of State, after consulting with the heads of the other United States Government agencies maintaining personnel overseas, is authorized to establish a financial system by which the Department of State is reimbursed by other agencies of the United States Government that maintain an overseas presence for the incremental expenses incurred by the Department in providing administrative support to such agencies at United States posts abroad.

(b) ESTABLISHMENT OF A COMMITTEE.—The President shall establish an interagency committee consisting of representatives from United States Government agencies maintaining a significant number of personnel overseas and headed by the Secretary of State, for the purpose of implementing subsection (a). The committee shall develop rules and regulations governing—

(1) a dispute settlement mechanism to resolve interagency disputes over the provision of administrative services at posts abroad and over reimbursement levels; and

(2) formulas for cost-assessment formulation, either on a per capita basis or on a fee-for-service basis with the following principle: all direct and indirect costs should be fully recovered by the Department, including services such as the Community Liaison Officer, building operating expenses and local guards, and such other expenses as the committee determines necessary to be covered.

(c) WORKING CAPITAL FUND.—There is hereby established on the books at the Treasury an account into which the Secretary of State may deposit payments received from any United States agency participating in the financial system established under subsection (a). Amounts in the account shall be available without fiscal year limitation.

SEC. 145. FOREIGN SERVICE REFORM.

(a) APPOINTMENTS BY THE PRESIDENT.—Section 302(b) of the Foreign Service Act of 1980 (22 U.S.C. 3942(b)) is amended in the second sentence—

(1) by striking ''may elect to'' and inserting ''shall''; and

(2) by striking ''Service,'' and all that follows and inserting ''Service.''.

(b) PERFORMANCE PAY.—Section 405 of the Foreign Service Act of 1980 (22 U.S.C. 3965) is amended—

(1) in subsection (a), by striking ''Members'' and inserting ''Subject to subsection (e), members''; and

(2) by adding at the end the following new subsection:

''(e) Notwithstanding any other provision of law, the Secretary of State may provide for recognition of the meritorious or distinguished service of a member of the Foreign Service described in subsection (a) (including members of the Senior Foreign Service) by means other than an award of performance pay in lieu of making such an award under this section.''.

(c) EXPEDITED SEPARATION OUT.—The Secretary of State shall develop and implement not later than 90 days after the date of enactment of this Act procedures to identify, and recommend for separation, members of the Foreign Service ranked by promotion boards in the bottom five percent of their class for any two of the five preceding years.

(d) UNIFORM ADMINISTRATION OF THE FOREIGN SERVICE.—(1) Section 101(b)(9) of the Foreign Service Act of 1980 (22 U.S.C. 3901(b)(9)) is amended to read as follows:

''(9) establishing a consolidated and uniform administration of a single Foreign Service of the United States by the Director General of the Foreign Service, under the direction of the President and the Secretary of State; and''.

(2) Section 203(a) of the Foreign Service Act of 1980 (22 U.S.C. 3923(a)) is amended by amending the first sentence to read as follows: ''There is one Foreign Service, and any agency that seeks to utilize the authorities of the Foreign Service Act of 1980 shall do so in strict conformance with the common standards and procedures set out by the Director General of the Foreign Service under the authority of the Secretary of State.''.

SEC. 146. LIMITATIONS ON MANAGEMENT ASSIGNMENTS.

Section 1017(e)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4117(e)(2)) is amended to read as follows:

''(2) For the purposes of paragraph (1)(A)(ii) and paragraph (1)(B), the term 'management official' does not include chiefs of mission, principal officers or their deputies, administrative and personnel officers abroad, or individuals described in section 1002(12) (B), (C), and (D) who are not involved in the administration of this chapter or in the formulation of the personnel policies and programs of the Department.''.

SEC. 147. REPORT ON PROMOTION AND RETENTION OF PERSONNEL.

Section 601(c)(4) of the Foreign Service Act of 1980 (22 U.S.C. 4001(c)(4)) is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(D) include on a biannual basis the comments of the Inspector General for Foreign Affairs with respect to the adequacy of the report on the matters described in this paragraph.''.

SEC. 148. RECOVERY OF COSTS OF HEALTH CARE SERVICES.

(a) AUTHORITIES.—Section 904 of the Foreign Service Act of 1980 (22 U.S.C. 4084) is amended—

(1) in subsection (a), by striking ''and'' before ''members of the families of such members and employees'' and inserting before the period '', and (for care provided abroad) such other persons as are designated by the Secretary of State, except that such persons shall be considered persons other than covered beneficiaries for purposes of subsections (g) and (h)'';

(2) in subsection (d), by inserting '', subject to the provisions of subsections (g) and (h)'' before the period; and

(3) by adding at the end the following new subsections:

''(g)(1) In the case of a person who is a covered beneficiary, the Secretary of State is authorized to collect from a third party payer the reasonable costs incurred by the Department of State on behalf of such person for health care services to the same extent that the covered beneficiary would be eligible to receive reimbursement or indemnification from the third party payer for such costs.

''(2) If the insurance policy, plan, contract, or similar agreement of that third party payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the Secretary of State may collect from the third party payer only the reasonable cost of the care provided less the deductible or copayment amount.

''(3) A covered beneficiary shall not be required to pay any deductible or copayment for health care services under this subsection.

''(4) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for care in the following circumstances shall operate to prevent collection by the Secretary of State under paragraph (1):

''(A) Care provided directly or indirectly by a governmental entity.

''(B) Care provided to an individual who has not paid a required deductible or copayment.

''(C) Care provided by a provider with which the third party payer has no participation agreement.

''(5) No law of any State, or of any political subdivision of a State, and no provision of any contract or agreement, shall operate to prevent or hinder recovery or collection by the United States under this section.

''(6) As to the authority provided in paragraph (1) of this subsection—

''(A) the United States shall be subrogated to any right or claim that the covered beneficiary may have against a third party payer;

''(B) the United States may institute and prosecute legal proceedings against a third party payer to enforce a right of the United States under this subsection; and

''(C) the Secretary may compromise, settle, or waive a claim of the United States under this subsection.

''(7) The Secretary shall prescribe regulations for the administration of this subsection and subsection (h). Such regulations shall provide for computation of the reasonable cost of health care services.

''(8) Regulations prescribed under this subsection shall provide that medical records of a covered beneficiary receiving health care under this subsection shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought for the sole purposes of permitting the third party to verify—

''(A) that the care or services for which recovery or collection is sought were furnished to the covered beneficiary; and

''(B) that the provision of such care or services to the covered beneficiary meets criteria generally applicable under the health plan contract involved, except that this subsection shall be subject to the provisions of paragraphs (2) and (4).

''(9) Amounts collected under this subsection or under subsection (h) from a third party payer or from any other payer shall be deposited as an offsetting collection to any Department of State appropriation and shall remain available until expended.

''(10) In this section:

''(A) The term 'covered beneficiary' means an individual eligible to receive health care under this section whose health care costs are to be paid by a third party payer under a contractual agreement with such payer.

''(B) The term 'services' as used in 'health care services' includes products.

''(C) The term 'third party payer' means an entity that provides a fee-for-service insurance policy, contract or similar agreement through the Federal Employees Health Benefit program, under which the expenses of health care services for individuals are paid.

''(h) In the case of a person, other than a covered beneficiary, who receives health care services pursuant to this section, the Secretary of State is authorized to collect from such person the reasonable costs of health care services incurred by the Department of State on behalf of such person. The United States shall have the same rights against persons subject to the provisions of this subsection as against third party payers covered by subsection (g).''.

(b) EFFECTIVE DATE.—The authorities of this section shall be effective beginning October 1, 1996.

SEC. 149. NONOVERTIME DIFFERENTIAL PAY.

Title 5 of the United States Code is amended—

(1) in section 5544(a), by inserting after the fourth sentence the following new sentence: ''For employees serving outside the United States in areas where Sunday is a routine workday and another day of the week is officially recognized as the day of rest and worship, the Secretary of State may designate the officially recognized day of rest and worship as the day with respect to which additional pay is authorized by the preceding sentence.''; and

(2) at the end of section 5546(a), by adding the following new sentence: ''For employees serving outside the United States in areas where Sunday is a routine workday and another day of the week is officially recognized as the day of rest and worship, the Secretary of State may designate the officially recognized day of rest and worship as the day with respect to which additional pay is authorized by the preceding sentence.''.

SEC. 150. ACCESS TO RECORDS.

Section 1108 of the Foreign Service Act of 1980 (22 U.S.C. 4138) is amended by adding at the end the following new subsection:

''(f) As used in this section, the term ''agency records'' does not include records created or maintained by the Office of the Inspector General of the employing agency. That Office may, in its discretion, provide the Board records or information relevant to a grievance.''.

SEC. 151. TRAINING.

Section 701 of the Foreign Service Act of 1980 (22 U.S.C. 4021) is amended—

(1) by redesignating subsection (d)(4) as subsection (g); and

(2) by inserting after subsection (d)(3) the following new subsections:

''(e)(1) The Secretary is authorized to provide appropriate training through the institution to employees of United States companies that are engaged in business abroad, and to the families of such employees, when such training is in the national interest of the United States.

''(2) In the case of companies that are under contract to provide services to the Department of State, the Secretary is authorized to provide job-related training to the companies' employees who are performing such services.

''(3) Training under this subsection shall be on a reimbursable or advance-of-funds basis. Such reimbursements or advances shall be credited to the currently available applicable appropriation account.

''(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

''(f)(1) The Secretary is authorized to provide on a reimbursable basis foreign language training programs to Members of Congress.

''(2) Nonexecutive branch staff members may participate on reimbursable, space-available basis in foreign language programs offered by the institution.

''(3) Reimbursements collected under this subsection shall be credited to the currently available applicable appropriation account.''.

SEC. 152. REDESIGNATION OF NATIONAL FOREIGN AFFAIRS TRAINING CENTER.

The National Foreign Affairs Training Center is hereby redesignated as the ''National Center for Humanities, Education, Languages, and Management Studies''.

CHAPTER 4—CONSULAR AND RELATED ACTIVITIES

SEC. 161. FEE FOR DIVERSITY IMMIGRANT LOTTERY.

The Secretary of State may establish a fee to be paid by each immigrant issued a visa under subsection (c) of section 203 of the Immigration and Nationality Act (8 U.S.C. 1153(c)). Such fee may be set at a level so as to cover the full cost to the Department of State of administering that subsection, including the cost of processing all applications thereunder. All such fees collected shall be deposited as an offsetting collection to any Department of State appropriation and shall remain available for obligation until expended. The provisions of the Act of August 18, 1856 (Rev. Stat. 1726–28; 22 U.S.C. 4212–14), concerning accounting for consular fees, shall not apply to fees collected pursuant to this section.

SEC. 162. FEE FOR EXECUTION OF PASSPORT APPLICATIONS.

Section 1 of the Act of June 4, 1920 (41 Stat. 750; 22 U.S.C. 214) is amended by—

(1) inserting before the period at the end of the first sentence the following: ''; except that the Secretary of State may by regulation authorize State officials or the United States Postal Service to collect and retain the execution fee for each application for a passport accepted by such officials or by that Service''; and

(2) striking the second sentence.

SEC. 163. FEES FOR MACHINE READABLE VISAS.

The Secretary of State is authorized to collect amounts under paragraph (1) of section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 8 U.S.C. 1351), not to exceed $150,000,000 for each of the fiscal years 1996, 1997, 1998, and 1999.

SEC. 164. CHILDREN ADOPTED ABROAD.

Section 101(b) of the Immigration and Nationality Act (8 U.S.C. 1101(b)) is amended—

(1) in paragraph (1)(A), by striking ''legitimate child'' and inserting ''child born in wedlock''; and

(2) in paragraphs (1)(D) and (2), by striking ''an illegitimate child'' each time it appears and inserting ''a child born out of wedlock''.

SEC. 165. CONSULAR OFFICERS.

(a) PERSONS AUTHORIZED TO ISSUE REPORTS OF BIRTHS ABROAD.—Section 33 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2705) is amended in paragraph (2) by adding at the end the following: ''For purposes of this paragraph, a consular officer shall include any United States citizen employee of the Department of State designated by the Secretary of State to adjudicate nationality abroad pursuant to such regulations as the Secretary may prescribe.''.

(b) PROVISIONS APPLICABLE TO CONSULAR OFFICERS.—Section 31 of the Act of August 18, 1856 (Rev. Stat. 1689; 22 U.S.C. 4191), is amended by inserting after ''such officers'' the following: ''and to such other United States citizen employees of the Department of State as may be designated by the Secretary of State pursuant to such regulations as the Secretary may prescribe''.

(c) PERSONS AUTHORIZED TO AUTHENTICATE FOREIGN DOCUMENTS.—Section 3492(c) of title 18 of the United States Code is amended by adding at the end the following: ''For purposes of this section and sections 3493 through 3496 of this title, a consular officer shall include any United States citizen employee of the Department of State designated to perform notarial functions pursuant to section 24 of the Act of August 18, 1856 (Rev. Stat. 1750; 22 U.S.C. 4221).''.

(d) PERSONS AUTHORIZED TO ADMINISTER OATHS.—Section 115 of title 35 of the United States Code is amended by adding at the end the following: ''For purposes of this section, a consular officer shall include any United States citizen employee of the Department of State designated to perform notarial functions pursuant to section 24 of the Act of August 18, 1856 (Rev. Stat. 1750; 22 U.S.C. 4221).''.

(e) DEFINITION OF CONSULAR OFFICER.—Section 101(a)(9) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(9)) is amended by adding at the end the following new sentence: ''As used in title III, the term ''consular officer'' includes any United States citizen employee of the Department of State designated by the Secretary of State to adjudicate nationality abroad pursuant to such regulations as the Secretary may prescribe.''.

SEC. 166. EXCLUSION FROM THE UNITED STATES FOR MEMBERSHIP IN A TERRORIST ORGANIZATION.

Section 212(a)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)) is amended—

(1) by striking ''or'' at the end of clause (i)(I);

(2) by inserting ''or'' at the end of clause (i)(II);

(3) by inserting after clause (i)(II) the following new subclause:

''(III) is a member of a terrorist organization or who actively supports or advocates terrorist activity,''; and

(4) by adding at the end the following new clause:

''(iv) TERRORIST ORGANIZATION DEFINED.—As used in this subparagraph, the term 'terrorist organization' means an organization that engages in, or has engaged in, terrorist activity as determined by the Attorney General, in consultation with the Secretary of State.''.

SEC. 167. INCITEMENT AS A BASIS FOR EXCLUSION FROM THE UNITED STATES.

(a) IN GENERAL.—Section 212(a)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)), as amended by this Act, is further amended—

(1) by striking ''or'' at the end of clause (i)(II);

(2) in clause (i)(III) by inserting ''or'' at the end; and

(3) by inserting after clause (i)(III) the following new subclause:

''(IV) has advocated terrorism or has incited targeted racial vilification or has advocated the death or destruction of United States citizens, United States Government officials, or the overthrow of the United States Government,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to aliens seeking to enter the United States on or after the date of enactment of this Act.

SEC. 168. VISIT OF THE PRESIDENT OF THE REPUBLIC OF CHINA ON TAIWAN.

Notwithstanding any other provision of law, the President of the Republic of China on Taiwan shall be admitted to the United States for a visit in 1995 with all appropriate courtesies.

SEC. 169. TERRORIST LOOKOUT COMMITTEES.

(a) ESTABLISHMENT.—(1) Not later than 30 days after the date of enactment of this Act, the Secretary of State shall establish within each United States Embassy a Terrorist Lookout Committee, which shall include the head of the political section and senior representatives of all United States law enforcement agencies and all elements of the intelligence community under the authority of the chief of mission.

(2) Each Committee shall be chaired by the respective deputy chief of mission, with the head of the consular section as vice chair.

(b) MEETINGS.—Each Terrorist Lookout Committee established under subsection (a) shall meet at least monthly and shall maintain records of its meetings. Upon the completion of each meeting, each Committee shall report to the Department of State all names submitted for inclusion in the visa lookout system.

(c) CERTIFICATION.—If no names are submitted upon completion of a meeting under subsection (b), the deputy chief of mission shall certify to the Secretary of State, subject to potential application the Accountability Review Board provisions of title III of the Omnibus Diplomatic Security and Antiterrorism Act of 1986, that none of the relevant sections of the United States Embassy had knowledge of the identity of any individual eligible for inclusion in the visa lookout system for possible terrorist activity.

(d) REPORT.—The Secretary of State shall submit a report on a quarterly basis to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives on the status of the Terrorist Lookout Committees.

SEC. 170. SENSE OF CONGRESS ON BORDER CROSSING FEES.

(a) FINDINGS.—The Congress finds that—

(1) in the budget of the United States for fiscal year 1996 that was submitted to Congress, the President proposed to impose and collect a border crossing fee for individuals and vehicles entering the United States;

(2) both the Canadian and Mexican governments have expressed opposition to the imposition and collection of such a fee and have raised the possibility of imposing retaliatory border crossing fees of their own;

(3) the imposition and collection of such a fee would have adverse affects on tourism and commerce that depend on travel across the borders of the United States;

(4) the imposition and collection of such a fee would have such effects without addressing illegal immigration in a meaningful way;

(5) on February 22, 1995, the President modified his proposal making the imposition of the new fees voluntary on United States border States (but tied the availability of Federal funds to improve border crossing infrastructure on their willingness to impose such fees); and

(6) on May 4, 1995, the President further modified the border crossing fee proposal in immigration control legislation he submitted to Congress setting a $1.50 per car and $.75 per pedestrian fee structure.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States Government should not impose or collect a border crossing fee along its borders with Canada and Mexico.

TITLE II—UNITED NATIONS

CHAPTER 1—FUNDING; BUDGETARY AND MANAGEMENT REFORM

SEC. 201. ASSESSED CONTRIBUTIONS TO THE UNITED NATIONS AND AFFILIATED AGENCIES.

There are authorized to be appropriated under the heading ''Assessed Contributions to the United Nations and other International Organizations'' (previously known as ''Contributions to International Organizations'') $777,000,000 for each of the fiscal years 1996, 1997, 1998, and 1999 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to the United Nations, its affiliated agencies, and other international organizations and to carry out other authorities in law consistent with such purposes.

SEC. 202. ASSESSED CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.

There are authorized to be appropriated for ''Contributions for International Peacekeeping Activities'', $445,000,000 for the fiscal year 1996, $375,000,000 for the fiscal year 1997, $300,000,000 for the fiscal year 1998, and $210,000,000 for the fiscal year 1999 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and to carry out other authorities in law consistent with such purposes.

SEC. 203. CALCULATION OF ASSESSED CONTRIBUTIONS.

It is the sense of the Congress that the United Nations General Assembly should reformulate the percentage shares of total assessed contributions to the United Nations payable by the member nations to reflect each nation's share of the total world gross national product.

SEC. 204. REFORM IN BUDGET DECISIONMAKING PROCEDURES OF THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.

(a) ASSESSED CONTRIBUTIONS.—The President may withhold 20 percent of the funds appropriated pursuant to section 111 for the United States assessed contribution to the United Nations, or to any of its specialized agencies, for any calendar year, if the Secretary of State determines that the United Nations or any such agency has failed to implement or to continue to implement consensus-based decisionmaking procedures on budgetary matters which assure that sufficient attention is paid to the views of the United States and other member states who are major financial contributors to such assessed budgets.

(b) NOTICE TO CONGRESS.—The President shall notify the Congress when a decision is made to withhold any share of the United States assessed contribution to the United Nations or its specialized agencies pursuant to subsection (a) and shall notify the Congress when the decision is made to pay any previously withheld assessed contribution. A notification under this subsection shall include appropriate consultation between the President (or the President's representative) and the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(c) REPORT TO CONGRESS.—Not later than February 1 of each year, the President shall submit to the Congress a report concerning the amount of United States assessed contributions paid to the United Nations and each of its specialized agencies during the preceding calendar year.

SEC. 205. UNITED NATIONS BUDGETARY AND MANAGEMENT REFORM.

(a) IN GENERAL.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

''SEC. 10. UNITED NATIONS BUDGETARY AND MANAGEMENT REFORM.

''(a) WITHHOLDING OF CONTRIBUTIONS.—

''(1) ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—At the beginning of each fiscal year, 20 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

''(2) ASSESSED CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—At the beginning of each fiscal year, 50 percent of the amount of funds made available for that fiscal year for United States assessed contributions for United Nations peacekeeping activities shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

''(3) VOLUNTARY CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—The United States may not during any fiscal year pay any voluntary contribution to the United Nations for international peacekeeping activities unless a certification for that fiscal year has been made under subsection (b).

''(b) CERTIFICATION.—The certification referred to in subsection (a) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, of each of the following:

''(1) The United Nations has an independent office of Inspector General to conduct and supervise objective audits, inspections, and investigations relating to programs and operations of the United Nations.

''(2) The United Nations has an Inspector General who was appointed by the Secretary General with the approval of the General Assembly and whose appointment was made principally on the basis of the appointee's integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigation.

''(3) The Inspector General is authorized to—

''(A) make investigations and reports relating to the administration of the programs and operations of the United Nations;

''(B) have access to all relevant records, documents, and other available materials relating to those programs and operations; and

''(C) have direct and prompt access to any official of the United Nations.

''(4) The United Nations has fully implemented, and made available to all member states, procedures designed to protect the identity of, and prevent reprisals against, any staff member of the United Nations making a complaint or disclosing information to, or cooperating in any investigation or inspection by, the United Nations Inspector General.

''(5) The United Nations has fully implemented procedures designed to ensure compliance with recommendations of the United Nations Inspector General.

''(6) The United Nations has required the United Nations Inspector General to issue an annual report and has ensured that the annual report and all other relevant reports of the Inspector General are made available to the General Assembly without modification.

''(7) The United Nations is committed to providing, sufficient budgetary resources to ensure the effective operation of the United Nations Inspector General.''.

(b) EFFECTIVE DATE.—Section 11 of the United Nations Participation Act of 1945, as added by subsection (a), shall apply only with respect to fiscal years after fiscal year 1995.

SEC. 206. WHISTLEBLOWER PROVISION.

The President shall withhold 10 percent of the funds made available under this Act for each of the fiscal years 1996, 1997, 1998, and 1999 for United States assessed contributions for the regular United Nations budget until the Secretary of State certifies to Congress that—

(1) the United Nations has developed and implemented policies and regulations to protect employees who allege or report instances of fraud or mismanagement, and

(2) the Office of Internal Oversight Services (OIOS) within the United Nations Secretariat has reviewed those policies and regulations and found, in writing, that they offer adequate safeguards against retaliation for such employees.

CHAPTER 2—UNITED NATIONS PEACEKEEPING

SEC. 211. ANNUAL REPORT ON UNITED STATES CONTRIBUTIONS TO UNITED NATIONS PEACEKEEPING ACTIVITIES.

Section 4(d)(1) of the United Nations Participation Act of 1945 (22 U.S.C. 287b(d)(1)) is amended—

(1) by redesignating subparagraph (D) as subparagraph (E); and

(2) by inserting after subparagraph (C) the following new subparagraph:

''(D) A description of the anticipated budget for the next fiscal year for United States participation in United Nations peacekeeping activities, including a statement of—

''(i) the aggregate amount of funds available to the United Nations for that fiscal year, including assessed and voluntary contributions, which may be made available for United Nations peacekeeping activities; and

''(ii) the aggregate amount of funds (from all accounts) and the aggregate costs of in-kind contributions that the United States proposes to make available to the United Nations for that fiscal year for United Nations peacekeeping activities.''.

SEC. 212. PRIOR CONGRESSIONAL NOTIFICATION OF SECURITY COUNCIL VOTES ON UNITED NATIONS PEACEKEEPING ACTIVITIES.

Section 4 of the United Nations Participation Act of 1945 (22 U.S.C. 287b) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

''(e) NOTICE TO CONGRESS OF PROPOSED UNITED NATIONS PEACEKEEPING ACTIVITIES.—(1) Except as provided in paragraph (2), at least 5 days before any vote in the Security Council to initiate, expand, or modify any United Nations peacekeeping activity or any other action under the Charter of the United Nations which would involve the use of United States Armed Forces or the expenditure of United States funds, the President shall submit to the designated congressional committees a notification with respect to the proposed action. The notification shall include the following:

''(A) A cost assessment of such action (including the total estimated cost and the United States share of such cost).

''(B) Identification of the source of funding for the United States share of the costs of the action (whether in an annual budget request, reprogramming notification, a rescission of funds, a budget amendment, or a supplemental budget request).

''(2)(A) If the President determines that an emergency exists which prevents submission of the 5-day advance notification specified in paragraph (1) and that the proposed action is in the national security interests of the United States, the notification described in paragraph (1) shall be provided in a timely manner but no later than 48 hours after the vote by the Security Council.

''(B) Determinations made under subparagraph (A) may not be delegated.''.

SEC. 213. CODIFICATION OF REQUIRED NOTICE TO CONGRESS OF PROPOSED UNITED NATIONS PEACEKEEPING ACTIVITIES.

(a) REQUIRED NOTICE.—Section 4 of the United Nations Participation Act of 1945 (22 U.S.C. 287b) is amended—

(1) by striking the second sentence of subsection (a);

(2) by redesignating subsections (e) and (f) (as redesignated by the preceding section) as subsections (f) and (g), respectively; and

(3) by inserting after subsection (d) a new subsection (e) consisting of the text of subsection (a) of section 407 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), revised—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by inserting ''in written form not later than the 10th day of'' after ''shall be provided'';

(ii) in subparagraph (A)(iv), by inserting ''(including facilities, training, transportation, communication, and logistical support, but not including intelligence activities reportable under title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.))'' after ''covered by the resolution''; and

(iii) in subparagraph (B), by adding at the end the following new clause:

''(iv) A description of any other United States assistance to or support for the operation (including facilities, training, transportation, communication, and logistical support, but not including intelligence activities reportable under title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.)), and an estimate of the cost to the United States of such assistance or support.'';

(B) by striking paragraph (3);

(C) by redesignating paragraph (4) as paragraph (3) and in the last sentence of subparagraph (A) of that paragraph by striking ''and (ii)'' and inserting ''through (iv)'';

(D) by inserting after paragraph (3) (as so redesignated) the following new paragraph:

''(4) NEW UNITED NATIONS PEACEKEEPING OPERATION DEFINED.—As used in paragraphs (2)(B) and (3), the term 'new United Nations peacekeeping operation' includes any existing or otherwise ongoing United Nations peacekeeping operation—

''(A) that is to be expanded by more than 25 percent during the period covered by the Security Council resolution, as measured by either the number of personnel participating (or authorized to participate) in the operation or the budget of the operation; or

''(B) that is to be authorized to operate in a country in which it was not previously authorized to operate.''; and

(E) in paragraph (5)—

(i) by striking ''(5) NOTIFICATION'' and all that follows through ''(B) The President'' and inserting ''(5) QUARTERLY REPORTS.—The President''; and

(ii) by striking ''section 4(d)'' and all that follows through ''of this section)'' and inserting ''subsection (d)''.

(b) CONFORMING REPEAL.—Subsection (a) of section 407 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), is repealed.

(c) DESIGNATED CONGRESSIONAL COMMITTEES.—Subsection (g) of section 4 of the United Nations Participation Act of 1945 (22 U.S.C. 287b(g)), as redesignated by subsection (a), is amended to read as follows:

''(g) DESIGNATED CONGRESSIONAL COMMITTEES.—As used in this section, the term 'designated congressional committees' has the meaning given such term in section 11(d).''.

SEC. 214. LIMITATION ON ASSESSMENT PERCENTAGE FOR PEACEKEEPING ACTIVITIES.

(a) AMENDMENT TO THE UNPA.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 11. CONTRIBUTIONS FOR PEACEKEEPING ACTIVITIES.

''(a) REASSESSMENT OF CONTRIBUTION PERCENTAGES.—The Permanent Representative of the United States to the United Nations should make every effort to ensure that the United Nations completes an overall review and reassessment of each nation's assessed contributions for United Nations peacekeeping operations. As part of the overall review and assessment, the Permanent Representative should make every effort to advance the concept that, when appropriate, host governments and other governments in the region where a United Nations peacekeeping operation is carried out should bear a greater burden of its financial cost.

''(b) LIMITATION ON ASSESSED CONTRIBUTION WITH RESPECT TO A PEACEKEEPING OPERATION.—(1) Funds authorized to be appropriated for 'Contributions for International Peacekeeping Activities' for any fiscal year shall not be available for the payment of the United States assessed contribution for a United Nations peacekeeping operation in an amount which is greater than 25 percent of the total amount of all assessed contributions for that operation, and any arrearages that accumulate as a result of assessments in excess of 25 percent of the total amount of all assessed contributions for any United Nations peacekeeping operation shall not be recognized or paid by the United States.

''(2) Any penalties, interest, or other charges imposed on the United States in connection with such contributions shall be credited as a part of the percentage limitation contained in the preceding sentence.''.

(b) EFFECTIVE DATE.—The limitation contained in section 11(b) of the United Nations Participation Act of 1945, as added by subsection (a), shall apply only with respect to funds authorized to be appropriated for ''Contributions for International Peacekeeping Activities'' for fiscal years after fiscal year 1995.

(c) CONFORMING REPEAL.—Section 404 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, is repealed.

SEC. 215. BUY AMERICA REQUIREMENT.

Section 11 of the United Nations Participation Act of 1945 is amended by adding after subsection (b), as added by this Act, the following new subsections:

''(c) BUY AMERICA REQUIREMENT.—No funds may be obligated or expended to pay any United States assessed or voluntary contribution for United Nations peacekeeping activities unless the Secretary of State determines and certifies to the designated congressional committees that United States manufacturers and suppliers are being given opportunities to provide equipment, services, and material for such activities equal to those being given to foreign manufacturers and suppliers.

''(d) DESIGNATED CONGRESSIONAL COMMITTEES DEFINED.—As used in this section, the term 'designated congressional committees' means—

''(1) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

''(2) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.''.

SEC. 216. RESTRICTIONS ON INTELLIGENCE SHARING WITH THE UNITED NATIONS.

The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

''SEC. 12. RESTRICTIONS ON INTELLIGENCE SHARING WITH THE UNITED NATIONS.

''(a) PROVISION OF INTELLIGENCE INFORMATION TO THE UNITED NATIONS.—(1) No United States intelligence information may be provided to the United Nations or any organization affiliated with the United Nations, or to any officials or employees thereof, unless the President certifies to the appropriate committees of Congress that the Director of Central Intelligence (in this section referred to as the 'DCI'), in consultation with the Secretary of State and the Secretary of Defense, has established and implemented procedures, and has worked with the United Nations to ensure implementation of procedures, for protecting from unauthorized disclosure United States intelligence sources and methods connected to such information.

''(2) Paragraph (1) may be waived upon written certification by the President to the appropriate committees of Congress that providing such information to the United Nations or an organization affiliated with the United Nations, or to any officials or employees thereof, is in the national security interests of the United States.

''(b) PERIODIC AND SPECIAL REPORTS.—(1) The President shall report semiannually to the Select Committee on Intelligence and the Committee on Foreign Relations of the Senate and the Permanent Select Committee on Intelligence and the Committee on International Relations of the House of Representatives on the types and volume of intelligence provided to the United Nations and the purposes for which it was provided during the period covered by the report. The President shall also report to the Select Committee on Intelligence and the Committee on Foreign Relations of the Senate and the Permanent Select Committee on Intelligence and the Committee on International Relations of the House of Representatives within 15 days after it has become known to the United States Government that there has been an unauthorized disclosure of intelligence provided by the United States to the United Nations.

''(2) The requirement for periodic reports under the first sentence of paragraph (1) shall not apply to the provision of intelligence that is provided only to, and for the use of, appropriately cleared United States Government personnel serving with the United Nations.

''(c) DELEGATION OF DUTIES.—The President may not delegate or assign the duties of the President under this section.

''(d) RELATIONSHIP TO EXISTING LAW.—Nothing in this section shall be construed to—

''(1) impair or otherwise affect the authority of the Director of Central Intelligence to protect intelligence sources and methods from unauthorized disclosure pursuant to section 103(c)(5) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(5)); or

''(2) supersede or otherwise affect the provisions of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).

''(e) DEFINITION.—As used in this section, the term 'appropriate committees of Congress' means the Select Committee on Intelligence and the Committee on Foreign Relations of the Senate and the Permanent Select Committee on Intelligence and the Committee on International Relations of the House of Representatives.''.

SEC. 217. UNPROFOR FUNDING RESTRICTIONS.

None of the funds authorized to be appropriated by this Act may be made available for contributions to the United Nations Protection Force (UNPROFOR) unless the President certifies and reports to the Congress during the calendar years in which the funds are to be provided that—

(1) the Government of the Republic of Bosnia and Herzegovina supports the continued presence of UNPROFOR within its territory;

(2) UNPROFOR is effectively implementing its mandate under United Nations Security Council resolutions 761, 776, 786, 836, and 958, and is effectively encouraging compliance with United Nations Security Council resolutions 752, 757, 770, 771, 787, 820, 824, and 942;

(3) UNPROFOR is providing full cooperation and support to the efforts of the United Nations War Crimes Tribunal for the former Yugoslavia to investigate war crimes and to apprehend and prosecute suspected war criminals;

(4) UNPROFOR is providing full cooperation and support to United States diplomatic, military, and relief personnel in Bosnia, to include transportation and accurate information; and

(5) UNPROFOR has investigated and taken appropriate action against any UNPROFOR civilian or military personnel suspected of participating in illegal or improper activities, such as black marketeering, embezzlement, expropriation of property, and assaults on civilians.

SEC. 218. ESCALATING COSTS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.

(a) FINDINGS.—The Congress finds that—

(1) in fiscal year 1989 the United States provided $29,000,000 to the United Nations for assessed United States contributions for international peacekeeping activities, compared to $485,000,000 paid for combined assessed contributions for all other international organizations, including the United Nations, all United Nations specialized agencies and the Organization for American States and all other pan American international organizations;

(2) in fiscal year 1994 United States assessed contributions to the United Nations for international peacekeeping activities had grown to $1,072,000,000, compared to $860,000,000 for combined assessed contributions for all other international organizations;

(3) for fiscal year 1995 the President requested a $672,000,000 United Nations peacekeeping supplemental appropriation which, if approved, would have been a direct increase in the Federal budget deficit and would have brought fiscal year 1995 total appropriations for assessed contributions for United Nations peacekeeping activities to $1,025,000,000;

(4) for fiscal year 1995 the President also requested supplemental appropriations of $1,900,000,000 to cover the Department of Defense's unbudgeted costs for humanitarian and peacekeeping missions in Haiti, Kuwait and Bosnia, which are in addition to regular United States assessed contributions to the United Nations for peacekeeping activities; and

(5) for fiscal year 1996 the President requested $445,000,000 for assessed contributions to the United Nations for international peacekeeping activities, a funding level most observers believe to be a significant understatement of actual peacekeeping obligations the Administration has committed the United States to support and which, if accurate, would lead to the third year in a row in which the Administration requests supplemental appropriations for assessed contributions to international peacekeeping in excess of $600,000,000 outside of the regular budget process.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the Executive Branch should cease obligating the United States to pay for international peacekeeping operations in excess of funds specifically authorized and appropriated for this purpose.

SEC. 219. DEFINITION.

The United Nations Participation Act of 1945, as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 13. DEFINITION.

''For purposes of this Act, the term 'United Nations peacekeeping activities' means any peacekeeping, peacemaking, peace-enforcing, or similar activity that is authorized by the United Nations Security Council under chapter VI or VII of the Charter of the United Nations, the costs of which will be assessed by the United Nations to its member countries.''.

TITLE III—OTHER INTERNATIONAL ORGANIZATIONS

CHAPTER 1—AUTHORIZATION OF APPROPRIATIONS

SEC. 301. INTERNATIONAL CONFERENCES AND CONTINGENCIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for ''International Conferences and Contingencies'', $7,000,000 for the fiscal year 1996, $5,000,000 for the fiscal year 1997, $4,000,000 for the fiscal year 1998, and $4,000,000 for the fiscal year 1999 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(b) CONDITIONAL AUTHORITY.—

(1) Subject to subparagraph (B), in addition to such amounts as are authorized to be appropriated under subsection (a), there is authorized to be appropriated for ''International Conferences and Contingencies'', $1,000,000 for the fiscal year 1996 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(2) The authorization of appropriations under paragraph (1) shall take effect only after the Secretary of State certifies to the appropriate congressional committees, with respect to any United Nations Fourth World Conference on Women that is held in Beijing, that—

(A) no funds of the Department of State were expended for travel by any United States official or delegate to the Fourth World Conference on Women, to be held in Beijing, August and September 1995, or

(B)(i) that the United States vigorously urged the United Nations to grant accreditation to a wide range of nongovernmental organizations, including United States-based groups representing Taiwanese and Tibetan women, in accordance with relevant international standards and precedents;

(ii) that the United States pressed the Government of China to issue visas equitably to representatives of accredited nongovernmental organizations;

(iii) that the United States encouraged the Government of China and the United Nations to provide the accredited nongovernmental organizations with access to the main conference site that is substantially equivalent in manner and degree to access afforded at previous major United Nations conferences;

(iv) that the United States delegation to the Fourth World Conference on Women vigorously and publicly supported access by representatives of accredited nongovernmental organizations to the conference, especially with respect to United States nongovernmental organizations;

(v) that the United States delegation to the Fourth World Conference on Women vigorously promoted universal respect for internationally recognized human rights, including the rights of women; and

(vi) that, if the goals of clauses (i), (ii), and (iii) were not fully accomplished, the United States issued a formal, public protest to the United Nations for such a departure from accepted international standards.

SEC. 302. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated under ''International Commissions'' for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For ''International Boundary and Water Commission, United States and Mexico''—

(A) for ''Salaries and Expenses'', $12,500,000 for the fiscal year 1996, $12,300,000 for the fiscal year 1997, $12,100,000 for the fiscal year 1998, and $12,000,000 for the fiscal year 1999; and

(B) for ''Construction'', $10,000,000 for the fiscal year 1996, $10,000,000 for the fiscal year 1997, $6,000,000 for the fiscal year 1998, and $6,000,000 for the fiscal year 1999.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For ''International Boundary Commission, United States and Canada'', $740,000 for the fiscal year 1996, $720,000 for the fiscal year 1997, $700,000 for the fiscal year 1998, and $700,000 for the fiscal year 1999.

(3) INTERNATIONAL JOINT COMMISSION.—For ''International Joint Commission'', $3,500,000 for the fiscal year 1996, $3,500,000 for the fiscal year 1997, $3,500,000 for the fiscal year 1998, and $3,500,000 for the fiscal year 1999.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For ''International Fisheries Commissions'', $14,669,000 for the fiscal year 1996, $14,400,000 for the fiscal year 1997, $14,200,000 for the fiscal year 1998, and $14,000,000 for the fiscal year 1999.

SEC. 303. INTERNATIONAL BOUNDARY AND WATER COMMISSION.

The Act of May 13, 1924 (49 Stat. 660; 22 U.S.C. 277–277f), is amended in section 3 (22 U.S.C. 277b) by adding the following new subsection at the end:

''(d) Pursuant to the authority of subsection (a) and in order to facilitate further compliance with the terms of the Convention for Equitable Distribution of the Waters of the Rio Grande, May 21, 1906, United States-Mexico, the Secretary of State, acting through the United States Commissioner of the International Boundary and Water Commission, may make improvements to the Rio Grande Canalization Project, originally authorized by the Act of August 29, 1935 (49 Stat. 961). Such improvements may include all such works as may be needed to stabilize the Rio Grande in the reach between the Percha Diversion Dam in New Mexico and the American Diversion Dam in El Paso.''.

SEC. 304. INTER-AMERICAN ORGANIZATIONS.

Taking into consideration the long-term commitment by the United States to the affairs of this Hemisphere and the need to build further upon the linkages between the United States and its neighbors, it is the sense of the Congress that the Secretary of State, in allocating the level of resources for international organizations, should pay particular attention to funding levels of the Inter-American organizations.

CHAPTER 2—GENERAL PROVISIONS

SEC. 311. INTERNATIONAL CRIMINAL COURT PARTICIPATION.

The United States may not participate in an international criminal court with jurisdiction over crimes of an international character except—

(1) pursuant to a treaty made in accordance with Article II, section 2, clause 2 of the Constitution; or

(2) as specifically authorized by enactment of legislation passed by Congress.

SEC. 312. PROHIBITION ON ASSISTANCE TO INTERNATIONAL ORGANIZATIONS ESPOUSING WORLD GOVERNMENT.

None of the funds made available by this Act shall be used—

(1) to pay the United States contribution to any international organization which engages in the direct or indirect promotion of the principle or doctrine of one world government or one world citizenship; or

(2) for the promotion, direct or indirect, of the principle or doctrine of one world government or one world citizenship.

SEC. 313. TERMINATION OF UNITED STATES PARTICIPATION IN CERTAIN INTERNATIONAL ORGANIZATIONS.

Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this or any other Act may be used for payment of United States membership in any of the following organizations:

(1) The United Nations Industrial Development Organization (UNIDO).

(2) The Inter-American Indian Institute.

(3) The Pan American Railway Congress Association.

(4) The Interparliamentary Union.

SEC. 314. INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS.

(a) FINDINGS.—The Congress makes the following findings:

(1) On April 2, 1992, the Senate approved a resolution advising and consenting to ratification of the International Covenant on Civil and Political Rights, subject to reservations, understandings, declarations, and a proviso intended, inter alia, to protect the First Amendment rights of American citizens and other United States constitutional rights and practices.

(2) In accordance with the action of the Senate, the President deposited the United States instrument of ratification of the International Covenant on Civil and Political Rights on June 8, 1992, and the Covenant entered into force for the United States on September 8, 1992.

(3) On November 2, 1994, the Human Rights Committee, established under the Covenant to interpret the Covenant and to receive complaints of noncompliance, adopted General Comment No. 24 regarding reservations to the Covenant.

(4) In General Comment No. 24, the Human Rights Committee claimed for itself the power to judge the validity under international law of reservations to the Covenant, and in the purported exercise of this power asserted that reservations of the type included in the Senate resolution of ratification are invalid, and further asserted that invalid reservations will be read out of instruments of ratification, ''in the sense that the Covenant will be operative for the reserving party without benefit of the reservation''.

(5) The purpose and effect of General Comment No. 24 is to seek to nullify as a matter of international law the reservations, understandings, declarations, and proviso contained in the Senate resolution of ratification, thereby purporting to impose legal obligations on the United States never accepted by the United States.

(6) General Comment No. 24 threatens not only the Supremacy Clause of the United States Constitution and the constitutional authority of the Senate with respect to the approval of treaties, but also the First Amendment rights of American citizens and the other United States constitutional rights and practices protected by the reservations, understandings, declarations, and proviso contained in the Senate resolution of ratification.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Human Rights Committee established under the International Covenant on Civil and Political Rights should revoke its General Comment No. 24 adopted on November 2, 1994.

SEC. 315. UNITED STATES PARTICIPATION IN SINGLE COMMODITY INTERNATIONAL ORGANIZATIONS.

(a) REPORT ON PARTICIPATION IN SINGLE-COMMODITY ORGANIZATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall transmit to the committees referred to in subsection (b) a report that—

(1) identifies the national interests, if any, that are served by continuing United States participation in single-commodity international organizations;

(2) assesses the feasibility and desirability of the privatization of United States representation in such organizations; and

(3) sets forth options for achieving the privatization of the organizations if the Secretary determines that the privatization is feasible and desirable.

(b) DEFINITION.—The committees referred to in subsection (a) are the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

SEC. 316. PROHIBITION ON CONTRIBUTIONS TO THE INTERNATIONAL NATURAL RUBBER ORGANIZATION.

None of the funds authorized to be appropriated by this or any other Act may be used to fund any United States contribution to the International Natural Rubber Organization.

SEC. 317. PROHIBITION ON CONTRIBUTIONS TO THE INTERNATIONAL TROPICAL TIMBER ORGANIZATION.

None of the funds authorized to be appropriated by this or any other Act may be used to fund any United States contribution to the International Tropical Timber Organization.

SEC. 318. GENERAL ACCOUNTING OFFICE STUDY ON THE COST-EFFECTIVENESS AND EFFICIENCY OF INTERNATIONAL ORGANIZATIONS TO WHICH THE UNITED STATES MAKES CONTRIBUTIONS.

(a) COST-EFFECTIVENESS STUDY OF INTERNATIONAL ORGANIZATIONS TO WHICH THE UNITED STATES MAKES CONTRIBUTIONS.—The Comptroller General of the United States shall conduct a study on the cost-effectiveness and efficiency of the 51 organizations to which the United States makes contributions through the Department of State. Such study shall include, but not be limited to—

(1) an evaluation of whether such organizations undertake unique activities that are central to the conduct of American foreign policy and which are incapable of being performed directly by an agency of the United States Government; and

(2) an evaluation of each organization's operational effectiveness, and the potential consequences of terminated United States funding.

(b) REPORT TO CONGRESS.—Not later than one year after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit a report of the findings of such study to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

SEC. 319. SENSE OF CONGRESS ON UNITED NATIONS FOURTH WORLD CONFERENCE ON WOMEN IN BEIJING, CHINA.

It is the sense of the Congress that—

(1) the United Nations Fourth World Conference on Women in Beijing, China, should promote a representative American perspective on issues of equality, peace, and development; and

(2) in the event the United States sends a delegation to the Conference, the United States delegation should use the voice and vote of the United States—

(A) to ensure that the biological and social activity of motherhood is recognized as a valuable and worthwhile endeavor that should in no way, in its form or actions, be demeaned by society or by the state;

(B) to ensure that the traditional family is upheld as the fundamental unit of society upon which healthy cultures are built and, therefore, receives esteem and protection by society and the state; and

(C) to define or agree with any definitions that define gender as the biological classification of male and female, which are the two sexes of the human being.

TITLE IV—UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

CHAPTER 1—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

The following amounts are authorized to be appropriated to carry out international information activities, and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the Board for International Broadcasting Act, the Inspector General Act of 1978, the National Endowment for Democracy Act, and to carry out other authorities in law consistent with such purposes:

(1) SALARIES AND EXPENSES.—For ''Salaries and Expenses'', $429,000,000 for the fiscal year 1996, $387,000,000 for the fiscal year 1997. No funds are authorized to be appropriated for fiscal years 1998 and 1999.

(2) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—For the ''Fulbright Academic Exchange Programs'', $109,500,000 for the fiscal year 1996, $101,000,000 for the fiscal year 1997, $93,000,000 for the fiscal year 1998, and $93,000,000 for the fiscal year 1999.

(B) OTHER PROGRAMS.—For other educational and cultural exchange programs authorized by law, $118,322,000 for the fiscal year 1996, $107,300,000 for the fiscal year 1997, $101,280,000 for the fiscal year 1998, and $101,280,000 for the fiscal year 1999.

(3) INTERNATIONAL BROADCASTING ACTIVITIES.—For ''International Broadcasting Activities'' under title III, $310,000,000 for the fiscal year 1996, $300,000,000 for the fiscal year 1997, $290,000,000 for the fiscal year 1998, and $290,000,000 for the fiscal year 1999.

(4) RADIO FREE EUROPE/RADIO LIBERTY.—For the activities of RFE/RL, Incorporated, there are authorized to be appropriated $75,000,000 for each of the fiscal years 1996, 1997, 1998, and 1999.

(5) RADIO CONSTRUCTION.—For ''Radio Construction'', $83,000,000 for the fiscal year 1996, $79,500,000 for the fiscal year 1997, $69,000,000 for the fiscal year 1998, and $65,000,000 for the fiscal year 1999.

(6) TECHNOLOGY INVESTMENT FUND.—For the ''Technology Investment Fund'', $10,100,000 for the fiscal year 1996, $9,500,000 for the fiscal year 1997.

(7) OFFICE OF THE INSPECTOR GENERAL.—For ''Office of the Inspector General'', $4,100,000 for the fiscal year 1996, $3,900,000 for the fiscal year 1997.

(8) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For ''Center for Cultural and Technical Interchange between East and West'', $20,000,000 for the fiscal year 1996, $8,000,000 for the fiscal year 1997, $5,000,000 for the fiscal year 1998, and $5,000,000 for the fiscal year 1999.

SEC. 402. NATIONAL ENDOWMENT FOR DEMOCRACY.

There are authorized to be appropriated to the Director of the United States Information Agency $32,000,000 for the fiscal year 1996 and $29,000,000 for the fiscal year 1997, $25,000,000 for the fiscal year 1998, and $21,000,000 for the fiscal year 1999 to carry out the National Endowment for Democracy Act (title V of Public Law 98–164), of which amount in each fiscal year not more than 55 percent shall be available only for the following organizations, in equal allotments:

(1) The International Republican Institute (IRI).

(2) The National Democratic Institute (NDI).

(3) The Free Trade Union Institute (FTUI).

(4) The Center for International Private Enterprise (CIPE).

CHAPTER 2—USIA AND RELATED AGENCIES AUTHORITIES AND ACTIVITIES

SEC. 411. PARTICIPATION IN INTERNATIONAL FAIRS AND EXPOSITIONS.

None of the funds made available by this Act may be used by any department, agency, or other entity of the United States to participate in an international fair, pavilion, or other major exhibit at any international exposition or world's fair in excess of amounts expressly authorized to be appropriated for such purpose.

SEC. 412. EXTENSION OF AU PAIR PROGRAMS.

(a) REPEAL.—Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is repealed.

(b) AUTHORITY FOR AU PAIR PROGRAMS.—The Director of the United States Information Agency is authorized to continue to administer an au pair program, operating on a world-wide basis, through fiscal year 1999.

(c) REPORT.—Not later than October 1, 1998, the Director of the United States Information Agency shall submit a report regarding the continued extension of au pair programs to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives. This report shall specifically detail the compliance of all au pair organizations with regulations governing au pair programs as published on February 15, 1995.

SEC. 413. PILOT PROGRAM ON ADVERTISING ON USIA TELEVISION AND RADIO BROADCASTS.

(a) IN GENERAL.—(1) The Director of the United States Information Agency shall carry out a pilot program to determine the feasibility and advisability of permitting advertisements on the television broadcasts and radio broadcasts of the agency, including broadcasts of the Voice of America, Radio Marti/TV Marti, Worldnet, Radio Free Europe/Radio Liberty, and Radio Free Asia.

(2) The Director shall commence carrying out the pilot program not later than 90 days after the date of the transmittal to Congress of the plan required under subsection (b).

(3) The Director shall carry out the pilot program for 6 months.

(b) PROGRAM PLAN.—(1) Not later than 120 days after the date of the enactment of this Act, the Director shall prepare and transmit to Congress a plan for carrying out the pilot program required under subsection (a).

(2) In preparing the plan, the Director shall solicit and take into account the comments of other broadcasting entities funded by the United States Government on the experiences of and advantages and disadvantages to public television and radio broadcast stations of permitting advertisements on the broadcasts of such stations.

(c) TREATMENT OF REVENUES.—Notwithstanding any other provision of law, the Director may use any revenues received by the agency under the pilot program to pay for the cost of the radio and television broadcasting activities of the agency. Such funds shall be available for that purpose without fiscal year limitation.

(d) PROGRAM REPORT.—Not later than 60 days after the date of the completion of the pilot program, the Director shall transmit to Congress a report on the pilot program. The report shall include the following:

(1) A description of the pilot program, including the number and type of advertisements aired under the pilot program and the revenues received as a result of the advertisements.

(2) An estimate of the number and type of advertisements that would be carried on the television broadcasts and radio broadcasts of the agency on an annual basis after the completion of the pilot program if the agency were authorized to continue to carry such advertisements, and the revenues that the agency would receive as a result of carrying such advertisements.

(3) An assessment of the feasibility and advisability of permitting advertisements on the television broadcasts and radio broadcasts of the agency, including a discussion of the advisability of permitting such advertisements by—

(A) United States entities;

(B) foreign governments;

(C) foreign individuals or entities; and

(D) a combination of such entities, governments, and individuals.

(e) REGULATIONS.—The Director may prescribe regulations to carry out the pilot program.

SEC. 414. AVAILABILITY OF VOICE OF AMERICA AND RADIO MARTI MULTILINGUAL COMPUTER READABLE TEXT AND VOICE RECORDINGS.

(a) AUTHORITY.—Notwithstanding section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) and the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the United States Information Agency is authorized to make available, upon request, to the Linguistic Data Consortium of the University of Pennsylvania computer readable multilingual text and recorded speech in various languages.

(b) REIMBURSEMENT.—The Linguistic Data Consortium shall, directly or indirectly as appropriate, reimburse the United States Information Agency for any expenses involved in making such materials available.

(c) TERMINATION DATE.—The authority of this section shall terminate 5 years after the date of enactment of this Act.

SEC. 415. PLAN FOR RADIO FREE ASIA.

(a) PLAN REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Director of the United States Information Agency shall submit to the Congress a detailed plan for the establishment and operation of Radio Free Asia.

(b) CONTENTS OF PLAN.—The plan required by subsection (a) shall meet the requirements of subparagraphs (A) through (C) of section 309(c)(1) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6208(c)(1)), except that the plan shall describe the manner in which Radio Free Asia would meet the funding limitations provided in this Act.

(c) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to make inapplicable any of the requirements contained in section 309 of such Act.

SEC. 416. EXPANSION OF MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note) is amended—

(1) in subsection (a), by striking ''Soviet Union, Lithuania, Latvia, and Estonia'' and inserting ''former Soviet Union, Lithuania, Latvia, Estonia, Albania, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovenia, and the Former Yugoslav Republic of Macedonia'';

(2) in subsection (c)(5), by striking out after ''potential'' all that follows and inserting in lieu thereof the following: ''in the fields of business administration, economics, journalism, law, library and information science, public administration, and public policy.'';

(3) in subsection (b) of the section, by striking out ''Soviet Union, Lithuania, Latvia, and Estonia'' and inserting in lieu thereof ''countries specified in subsection (a)'';

(4) in subsection (c)(11), by striking ''Soviet republics, Lithuania, Latvia, and Estonia'' and inserting ''countries specified in subsection (a)''; and

(5) in the section heading, by striking ''**THE SOVIET UNION, LITHUANIA, LATVIA, AND ESTONIA**'' and inserting ''**CERTAIN EURASIAN COUNTRIES**''.

SEC. 417. CHANGES IN ADMINISTRATIVE AUTHORITIES.

(a) CONTRACT AUTHORITY FOR VOICE OF AMERICA RADIO FACILITY.—Section 235 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246) is amended by inserting ''Tinian,'' after ''Sao Tome,''.

(b) AVAILABILITY OF APPROPRIATIONS.—Section 701(f)(4) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476(f)) is amended by striking ''September 30, 1995'' and inserting ''March 1, 1997''.

(c) TECHNICAL CORRECTION.—Section 314(2)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6213(2)(B)) is amended by striking ''section 307(e)'' and inserting ''section 308(d)''.

(d) RADIO BROADCASTING TO CUBA.—Section 4 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465b) is amended by striking ''Director of the Voice of America'' and inserting ''Director of the International Broadcasting Bureau''.

(e) TELEVISION BROADCASTING TO CUBA.—Section 244(a) of the Television Broadcasting to Cuba Act (22 U.S.C. 1465cc(a)) is amended by striking in the third sentence thereof ''Voice of America'' and inserting ''International Broadcasting Bureau''.

(f) INTERNATIONAL BROADCASTING BUREAU.—Section 307 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended by adding at the end the following new subsection:

''(g) CONSOLIDATION OF ENGINEERING FUNCTION.—For the purpose of achieving economies and eliminating duplication, the Director of the United States Information Agency is authorized to appoint, during 1995, up to 15 otherwise qualified United States citizens employed in the Office of the Vice President for Engineering and Technical Operations of RFE/RL, Incorporated, to the competitive service or the career Foreign Service of the United States Information Agency in accordance with the provisions of title 5 of the United States Code, and without regard to sections 301(b) and 306 of the Foreign Service Act of 1980, governing appointments in the Foreign Service. Prior service with RFE/RL, Incorporated, by an individual appointed under this subsection shall be credited in determining the length of service of the individual for reduction in force purposes and toward establishing the career tenure of the individual.''.

(h) USE OF FEES FROM EDUCATIONAL ADVISING.—Section 810 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1475e) is amended by inserting ''educational advising,'' after ''library services,''.

SEC. 418. GENERAL ACCOUNTING OFFICE STUDY OF DUPLICATION AMONG CERTAIN INTERNATIONAL AFFAIRS GRANTEES.

(a) STUDY OF CERTAIN GRANTEES FOR DUPLICATION OF FUNCTIONS.—The Comptroller General of the United States shall conduct a study on the purposes and activities of the North/South Center, East-West Center, Asia Foundation, and the National Endowment for Democracy and on the extent to which the activities of these organizations duplicate activities that are conducted elsewhere in the United States Government. Such study shall include, but not be limited to, an evaluation of whether such organizations undertake unique activities that are central to the conduct of American foreign policy and that are incapable of being performed directly by an agency of the United States Government.

(b) REPORT TO CONGRESS.—Not later than one year after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit a report of the findings of such study to the Committee on Foreign Relations of the Senate and Committee on International Relations of the House of Representatives.

SEC. 419. GENERAL ACCOUNTING OFFICE STUDY OF ACTIVITIES OF THE NORTH/SOUTH CENTER IN SUPPORT OF THE NORTH AMERICAN FREE TRADE AGREEMENT.

(a) STUDY OF CERTAIN ACTIVITIES OF THE NORTH/SOUTH CENTER DURING CONSIDERATION OF THE NORTH AFRICAN FREE TRADE AGREEMENT.—The Comptroller General of the United States shall conduct a study on the activities of the North/South Center located in Miami, Florida that had the affect of encouraging Congress to approve implementing legislation for the North American Free Trade Agreement. This study shall include, but shall not be limited to, consideration of whether any United States Government funds were used for books (including Assessments of the North American Free Trade Agreement published in 1993), publications, or other activities which had the affect of advocating congressional approval of the North American Free Trade Agreement, and whether such materials or activities violated any laws, regulations, or guidelines on the use of Federal funds for lobbying activities.

(b) REPORT TO CONGRESS.—Not later than six months after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit a report of the findings of such study to the Committee on Foreign Relations of the Senate and Committee on International Relations of the House of Representatives.

SEC. 420. MANSFIELD FELLOWSHIP PROGRAM REQUIREMENTS.

Section 253(4)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6102(4)(B)) is amended by striking ''certain'' and inserting the following: '', under criteria established by the Mansfield Center for Pacific Affairs, certain allowances and benefits not to exceed the amount of equivalent''.

SEC. 421. DISTRIBUTION WITHIN THE UNITED STATES OF THE UNITED STATES INFORMATION AGENCY FILM ENTITLED "THE FRAGILE RING OF LIFE".

Notwithstanding section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1(a)) and the second sentence of section 501 of the United States Information and Education Act of 1948 (22 U.S.C. 1461), the Director of the United States Information Agency may make available for distribution within the United States the documentary entitled ''The Fragile Ring of Life'', a film about coral reefs around the world.

TITLE V—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY AND THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEAR 1996.—There are authorized to be appropriated to carry out the Arms Control and Disarmament Act (22 U.S.C. 2551 et seq.) $22,700,000 for the fiscal year 1996.

(b) FUTURE FISCAL YEARS.—No funds may be obligated or expended by the United States Arms Control and Disarmament Agency after March 1, 1997.

SEC. 502. STATUTORY CONSTRUCTION.

Section 33 of the Arms Control and Disarmament Act (22 U.S.C. 2573) is amended by adding at the end the following new subsection:

''(c) STATUTORY CONSTRUCTION.—Nothing contained in this chapter shall be construed to authorize any policy or action by any Government agency which would interfere with, restrict, or prohibit the acquisition, possession, or use of firearms by an individual for the lawful purpose of personal defense, sport, recreation, education, or training.''.

SEC. 503. OPERATING EXPENSES.

Section 667(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)(1)) is amended to read as follows:

''(1) $432,000,000 for fiscal year 1996 and $389,000,000 for 1997 for necessary operating expenses of the agency primarily responsible for administering part I of this Act (other than the office of the inspector general of such agency); and''.

SEC. 504. OPERATING EXPENSES OF THE OFFICE OF THE INSPECTOR GENERAL.

Section 667(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)), as amended by section 503, is further amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by striking ''and'' at the end of paragraph (1) (as amended by section 503); and

(3) by inserting after paragraph (1) the following:

''(2) $35,000,000 for fiscal year 1996 and $31,500,000 for fiscal 1997 for necessary operating expenses of the office of the inspector general of such agency; and''.

TITLE VI—FOREIGN POLICY

SEC. 601. REPEAL OF PROVISIONS RELATING TO INTERPARLIAMENTARY GROUPS.

The following provisions of law are hereby repealed:

(1) Section 109(b) of the Department of State Authorization Act, fiscal years 1984 and 1985 (Public Law 98–164) (relating to the British-American Parliamentary Group).

(2) Section 109(c) of the Department of State Authorization Act, fiscal years 1984 and 1985 (Public Law 98–164) (relating to the United States-European Community Interparliamentary Group).

(3) Section 105 of the Legislative Branch Appropriation Act of 1961 (22 U.S.C. 276c–1; relating to reporting requirements for Interparliamentary Groups).

(4) The Act entitled ''An Act to authorize participation by the United States in the Interparliamentary Union'', approved June 28, 1935 (22 U.S.C. 276–276a–4).

(5) The proviso under ''Missions to International Organizations'' in the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act of 1959, approved June 30, 1958 (Public Law 85–474, as amended).

(6) Section 7(a) of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415).

(7) Section 168 (relating to the British-American Interparliamentary Group) and section 169 (relating to the Parliamentary Assembly of the Organization on Security and Cooperation in Europe) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 276l, 276m).

SEC. 602. REPEAL OF EXECUTIVE BRANCH MEMBERSHIP ON THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE.

Section 3 of the Act entitled ''An Act to establish a Commission on Security and Cooperation in Europe'', approved June 3, 1976 (22 U.S.C. 3003 et seq.) is amended—

(1) by striking ''twenty-one members'' and inserting ''18 members''; and

(2) by striking paragraphs (3), (4), and (5).

SEC. 603. AUTHORIZED PAYMENTS.

(a) PAYMENT OF LETTERS OF CREDIT.—(1) In addition to licenses required to be issued under section 575.510 of title 31, Code of Federal Regulations, the Secretary of the Treasury shall direct that licenses be issued to permit payments, as certified under subsection (b), from blocked Iraqi accounts involving an irrevocable letter of credit issued or confirmed by a foreign bank for the benefit of a United States person of amounts owed to such person with respect to goods or services lawfully exported to Iraq before August 2, 1990, whether or not such letter was confirmed by a United States bank.

(2) Licenses shall be issued under paragraph (1) not later than 120 days after the date on which the Foreign Claims Settlement Commission certifies an award pursuant to subsection (b).

(3) Payments made in compliance with this subsection or any regulation, order, instruction, or issued under this section, shall, to the extent of such payment, fully acquit and discharge for all purposes the obligation of the person making the payment. No person may be held liable for or with respect to anything done or omitted in good faith pursuant to and in reliance on this section or any such regulation, order, instruction, or direction.

(b) DETERMINATION OF CLAIMS.—(1) The Foreign Claims Settlement Commission of the United States is authorized to receive and determine the validity of any claims of United States persons against the Government of Iraq (including its agencies, instrumentalities, and controlled entities).

(2) The Foreign Claims Settlement Commission shall certify awards under this subsection to the Secretary of the Treasury not later than 270 days after the date of enactment of this Act.

(c) VESTING AUTHORITY.—The President is authorized to vest and liquidate as much of the assets of the Government of Iraq in the United States that have been blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et. seq.) as may be necessary to satisfy claims under subsections (a) and (b).

(d) DEFINITIONS.—For purposes of this section:

(1) BLOCKED IRAQI ACCOUNTS.—The term ''blocked Iraqi accounts'' means funds on deposit in United States financial institutions in which the Government of Iraq has an interest and which were blocked under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) on or after August 2, 1990.

(2) UNITED STATES PERSON.—The term ''United States person'' means a person subject to the jurisdiction of the United States, including—

(A) any person, wherever located, who is a citizen or resident of the United States,

(B) any person actually within the United States,

(C) any corporation organized under the laws of the United States or of any State, territory, possession, or district of the United States, and

(D) any partnership, association, corporation, or other organization wherever organized or doing business which is owned or controlled by persons described in subparagraph (A), (B), or (C),

and does not include the United States Government or any officer or employee thereof acting in an official capacity.

SEC. 604. REPORTS REGARDING HONG KONG.

(a) EXTENSION OF REPORTING REQUIREMENT.—Section 301 of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5731) is amended in the text above paragraph (1)—

(1) by inserting ''March 31, 1996,'' after ''March 31, 1995,''; and

(2) by striking ''and March 31, 2000,'' and inserting ''March 31, 2000, and every year thereafter,''.

(b) ADDITIONAL REQUIREMENTS.—In light of deficiencies in reports submitted to the Congress pursuant to section 301 of the United States-Hong Kong Policy Act (22 U.S.C. 5731), the Congress directs that reports required to be submitted under that section on or after the date of enactment of this Act include detailed information on the status of, and other developments affecting, implementation of the Sino-British Joint Declaration on the Question of Hong Kong, including—

(1) the Basic Law and its consistency with the Joint Declaration;

(2) the openness and fairness of elections to the legislature;

(3) the openness and fairness of the election of the chief executive and the executive's accountability to the legislature;

(4) the treatment of political parties;

(5) the independence of the judiciary and its ability to exercise the power of final judgment over Hong Kong law; and

(6) the Bill of Rights.

SEC. 605. APPLICABILITY OF TAIWAN RELATIONS ACT.

Section 3 of the Taiwan Relations Act (22 U.S.C. 3302) is amended by adding at the end the following new subsection:

''(d) The provisions of subsections (a) and (b) supersede any provision of the Joint Communique of the United States and China of August 17, 1982.''.

SEC. 606. TAIPEI REPRESENTATIVE OFFICE.

For purposes of carrying out its activities in the United States, the instrumentality known as the Taipei Economic and Cultural Representative Office as of the date of enactment of this Act shall, on and after such date, be known as the ''Taipei Representative Office''.

SEC. 607. REPORT ON OCCUPIED TIBET.

(a) FINDINGS AND DECLARATIONS OF CONGRESS.—The Congress makes the following findings and declarations:

(1) Historically, Tibet has demonstrated those attributes which under international law constitute statehood. It has had a defined territory and a permanent population, been under the control of its own government, and has engaged in, or had the capacity to engage in, formal relations with other states.

(2) Between 1951 and 1959, Tibet was forcibly and coercively incorporated into the People's Republic of China as an ''autonomous region''.

(3) Because Tibet's incorporation into the People's Republic of China was involuntary, under international law it is an occupied sovereign country and its true representatives continue to be the Dalai Lama and the Tibetan Government in exile.

(4) Because the Tibetan people are historically, territorially, and culturally distinct from the Han Chinese population in the People's Republic of China, and because of the involuntary loss of their sovereignty, they are entitled to the right of self-determination.

(5) Credible evidence exists which demonstrates that the Government of the People's Republic of China has consistently denied the Tibetan people that right, and instead have subjected them to a serious pattern of human rights abuses. For example, in 1960 the International Commission of Jurists found that the Chinese authorities in Tibet had violated sixteen articles of the United Nations Human Rights Declaration.

(6) The United States should seek to establish a dialogue with those recognized by Congress as the true representatives of the Tibetan people, the Dalai Lama, his representatives, and the Tibetan Government in exile, concerning the situation in Tibet and the future of the Tibetan people and to expand and strengthen United States-Tibet cultural and educational relations, including promoting bilateral exchanges arranged directly with the Tibetan Government in exile.

(b) REPORT ON UNITED STATES-TIBET RELATIONS.— Not later than 6 months after the date of enactment of this Act, and every 12 months thereafter, the Secretary of State shall transmit to the Chairman of the Committee on Foreign Relations and the Speaker of the House of Representatives a report on the state of relations between the United States and those recognized by Congress as the true representatives of the Tibetan people, the Dalai Lama, his representatives, and the Tibetan Government in exile, and on conditions in Tibet.

(c) SEPARATE TIBET REPORTS.—

(1) It is the sense of the Congress that whenever an executive branch report is transmitted to the Congress on a country-by-country basis there should be included in such report, where applicable, a separate report on Tibet listed alphabetically with its own state heading.

(2) The reports referred to in paragraph (1) include, but are not limited to, reports transmitted under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (relating to human rights).

SEC. 608. SPECIAL ENVOY FOR TIBET ACT OF 1995.

(a) SHORT TITLE.—This section may be cited as the ''Special Envoy for Tibet Act of 1995''.

(b) FINDINGS.—The Congress finds that—

(1) the Government of the People's Republic of China withholds meaningful participation in the governance of Tibet from Tibetans and has failed to abide by its own constitutional guarantee of autonomy for Tibetans;

(2) the Government of the People's Republic of China is responsible for the destruction of much of Tibet's cultural and religious heritage since 1959 and continues to threaten the survival of Tibetan culture and religion;

(3) the Government of the People's Republic of China, through direct and indirect incentives—

(A) has established discriminatory development and other programs which have resulted in an overwhelming flow of Chinese immigrants into Tibet, including those areas incorporated into the Chinese provinces of Sichuan, Yunnan, Gansu, and Qinghai; and

(B) has excluded Tibetans from participation in important policy decisions, further threatening traditional Tibetan life;

(4) the Government of the People's Republic of China denies Tibetans their fundamental human rights, as reported in the Department of State's Country Reports on Human Rights Practices for 1993;

(5) the President and the Congress have determined that the promotion of human rights in Tibet and the protection of Tibet's religion and culture are important elements in United States-China relations and have urged senior members of the Government of the People's Republic of China to enter into substantive negotiations on these matters with the Dalai Lama or his representative; and

(6) the Government of the People's Republic of China has failed to respond in a good faith manner by reciprocating a willingness to begin negotiations without preconditions, and no substantive negotiations have begun.

(c) POSITION OF UNITED STATES SPECIAL ENVOY FOR TIBET.—

(1) ESTABLISHMENT OF POSITION.—There shall be within the Department of State a United States Special Envoy for Tibet, who shall be appointed by the President, by and with the advice and consent of the Senate. The United States Special Envoy for Tibet shall hold office at the pleasure of the President.

(2) RANK OF AMBASSADOR.—The United States Special Envoy for Tibet shall have the personal rank of ambassador.

(d) RESPONSIBILITIES.—

(1) AUTHORITIES.—The United States Special Envoy for Tibet is authorized and encouraged—

(A) to promote substantive negotiations between the Dalai Lama or his representatives and senior members of the Government of the People's Republic of China;

(B) to promote good relations between the Dalai Lama and his representatives and the United States Government, including meeting with members or representatives of the Tibetan Government in exile; and

(C) to travel regularly throughout Tibet and Tibetan refugee settlements.

(2) DUTIES.—The United States Special Envoy for Tibet shall—

(A) consult with the Congress on policies relevant to Tibet and the future and welfare of all Tibetan people;

(B) coordinate United States Government policies, programs, and projects concerning Tibet; and

(C) report to the Secretary of State regarding the matters described in section 536(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236).

SEC. 609. PROHIBITION ON USE OF FUNDS TO FACILITATE IRAQI REFUGEE ADMISSIONS INTO THE UNITED STATES.

None of the funds authorized to be appropriated by this or any other Act may be used for resettlement in the United States, or to provide education, medical examinations, training, screening, or otherwise facilitate the admission into the United States of Iraqi nationals seeking refugee status in the United States who are in Saudi Arabia or Turkey as of the date of enactment of this Act.

SEC. 610. SPECIAL ENVOY FOR NAGORNO-KARABAKH.

It is the sense of Congress that the President should immediately appoint a special envoy having the rank of Ambassador to offer assistance in facilitating a negotiated settlement to the conflict in Nagorno-Karabakh and to press for the development of an oil pipeline through Azerbaijan, Armenia, and Turkey.

SEC. 611. REPORT TO CONGRESS CONCERNING CUBAN EMIGRATION POLICIES.

Beginning 3 months after the date of the enactment of this Act, and every 6 months thereafter, the President shall transmit a report to the appropriate congressional committees concerning the methods employed by the Government of Cuba to enforce the United States-Cuba agreement of September 1994 to restrict the emigration of the Cuban people from Cuba to the United States, and the treatment by the Government of Cuba of persons who have been returned to Cuba pursuant to the United States-Cuba agreement of May 1995. Each report transmitted pursuant to this section shall include a detailed account of United States efforts to monitor such enforcement and treatment.

SEC. 612. EFFORTS AGAINST EMERGING INFECTIOUS DISEASES.

(a) PRIORITIZATION.—The President shall give urgent priority to the strengthening of efforts against emerging infectious diseases through the development of appropriate United States Government strategies and response mechanisms.

(b) STRATEGIC PLAN.—Not later than February 1, 1996, the President shall submit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report outlining a United States strategic plan, in cooperation with the international public health infrastructure, to identify and respond to the threat of emerging infectious diseases to the health of the people of the United States.

SEC. 613. REPORT ON FIRMS ENGAGED IN EXPORT OF DUAL-USE ITEMS.

The Under Secretary of State for International Security shall submit a report to Congress no later than 180 days after the date of enactment of this Act, and every 180 days thereafter until 1998, detailing an organizational plan to include those firms on the Department of State licensing watch-lists that engage in the exportation of potentially sensitive or dual-use technologies and have been identified or tracked by similar systems maintained by the Department of Defense, Department of Commerce, or the United States Customs Service. The report shall also detail further measures to be taken to strengthen United States export-control mechanisms.

SEC. 614. PROHIBITION ON THE TRANSFER OF ARMS TO INDONESIA.

Consistent with section 582 of Public Law 103–306, the United States is prohibited from selling or licensing for export to the Government of Indonesia light arms, small weapons, and crowd control ordnances, including helicopter-mounted equipment, until the Secretary of State determines and reports to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives that there has been significant progress made on human rights in East Timor and elsewhere in Indonesia, including—

(1) compliance with the recommendations in the United Nations Special Rapporteur's January 1992 report and the March 1993 recommendations of the United Nations Human Rights Commission;

(2) significant reduction in Indonesia's troop presence in East Timor;

(3) thorough and impartial investigation of gangs and violent civilian groups operating in East Timor;

(4) improved access to East Timor for Indonesian and international human rights and humanitarian organizations and journalists, including the deployment of United Nations human rights monitors if so requested;

(5) constructive participation in the United Nations Secretary General's efforts to resolve the status of East Timor; and

(6) greater local control over political, economic, and cultural affairs, with an aim toward resolving the future status of East Timor.

SEC. 615. MIDDLE EAST PEACE FACILITATION ACT OF 1995.

(a) SHORT TITLE.—This section may be cited as the ''Middle East Peace Facilitation Act of 1995''.

(b) FINDINGS.—The Congress finds that—

(1) the Palestine Liberation Organization (in this section referred to as the ''PLO'') has recognized the State of Israel's right to exist in peace and security; accepted United Nations Security Council Resolutions 242 and 338; committed itself to the peace process and peaceful coexistence with Israel, free from violence and all other acts which endanger peace and stability; and assumed responsibility over all PLO elements and personnel in order to assure their compliance, prevent violations, and discipline violators;

(2) Israel has recognized the PLO as the representative of the Palestinian people;

(3) Israel and the PLO signed a Declaration of Principles on Interim Self-Government Arrangements (in this section referred to as the ''Declaration of Principles'') on September 13, 1993, at the White House;

(4) Israel and the PLO signed an Agreement on the Gaza Strip and the Jericho Area (in this section referred to as the ''Gaza-Jericho Agreement'') on May 4, 1994, which established a Palestinian Authority for the Gaza and Jericho areas;

(5) Israel and the PLO signed an Agreement on Preparatory Transfer of Powers and Responsibilities (in this section referred to as the ''Early Empowerment Agreement'') on August 29, 1994, which provided for the transfer to the Palestinian Authority of certain powers and responsibilities in the West Bank outside of the Jericho Area;

(6) under the terms of the Declaration of Principles, the Gaza-Jericho Agreement and the Early Empowerment Agreement, the powers and responsibilities of the Palestinian Authority are to be assumed by an elected Palestinian Council with jurisdiction in the West Bank and Gaza Strip in accordance with the Interim Agreement to be concluded between Israel and the PLO;

(7) permanent status negotiations relating to the West Bank and Gaza Strip are scheduled to begin by May 1996;

(8) the Congress has, since the conclusion of the Declaration of Principles and the PLO's renunciation of terrorism, provided authorities to the President to suspend certain statutory restrictions relating to the PLO, subject to Presidential certifications that the PLO has continued to abide by commitments made in and in connection with or resulting from the good faith implementation of, the Declaration of Principles;

(9) the PLO commitments relevant to Presidential certifications have included commitments to renounce and condemn terrorism, to submit to the Palestinian National Council for formal approval the necessary changes to those articles of the Palestinian Covenant which call for Israel's destruction, and to prevent acts of terrorism and hostilities against Israel; and

(10) the President, in exercising the authorities described in paragraph (8), has certified to the Congress on four occasions that the PLO was abiding by its relevant commitments.

(c) SENSE OF CONGRESS.—It is the sense of the Congress that although the PLO has recently shown improvement in its efforts to fulfill its commitments, the PLO must do far more to demonstrate an irrevocable denunciation of terrorism and ensure a peaceful settlement of the Middle East dispute, and in particular the PLO must—

(1) submit to the Palestine National Council for formal approval the necessary changes to those articles of the Palestinian National Covenant which call for Israel's destruction;

(2) make greater efforts to preempt acts of terror, to discipline violators, and to contribute to stemming the violence that has resulted in the deaths of 123 Israeli citizens since the signing of the Declaration of Principles;

(3) prohibit participation in its activities and in the Palestinian Authority and its successors by any groups or individuals which continue to promote and commit acts of terrorism;

(4) cease all anti-Israel rhetoric, which potentially undermines the peace process;

(5) confiscate all unlicensed weapons and restrict the issuance of licenses to those with legitimate need;

(6) transfer any person, and cooperate in transfer proceedings relating to any person, accused by Israel of acts of terrorism; and

(7) respect civil liberties, human rights and democratic norms.

(d) AUTHORITY TO SUSPEND CERTAIN PROVISIONS.—

(1) IN GENERAL.—Subject to paragraph (2), beginning on the date of enactment of this Act and for 18 months thereafter the President may suspend for a period of not more than 6 months at a time any provision of law specified in paragraph (4). Any such suspension shall cease to be effective after 6 months, or at such earlier date as the President may specify.

(2) CONDITIONS.—

(A) CONSULTATIONS.—Prior to each exercise of the authority provided in paragraph (1) or certification pursuant to paragraph (3), the President shall consult with the relevant congressional committees. The President may not exercise that authority to make such certification until 30 days after a written policy justification is submitted to the relevant congressional committees.

(B) PRESIDENTIAL CERTIFICATION.—The President may exercise the authority provided in paragraph (1) only if the President certifies to the relevant congressional committees each time he exercises such authority that—

(i) it is in the national interest of the United States to exercise such authority;

(ii) the PLO continues to comply with all the commitments described in subparagraph (D); and

(iii) funds provided pursuant to the exercise of this authority and the authorities under section 583(a) of Public Law 103–236 and section 3(a) of Public Law 103–125 have been used for the purposes for which they were intended.

(C) REQUIREMENT FOR CONTINUING PLO COMPLIANCE.—

(i) The President shall ensure that PLO performance is continuously monitored, and if the President at any time determines that the PLO has not continued to comply with all the commitments described in subparagraph (D), he shall so notify the appropriate congressional committees. Any suspension under paragraph (1) of a provision of law specified in paragraph (4) shall cease to be effective.

(ii) Beginning six months after the date of enactment of this Act, if the President on the basis of the continuous monitoring of the PLO's performance determines that the PLO is not complying with the requirements described in paragraph (3), he shall so notify the appropriate congressional committees and no assistance shall be provided pursuant to the exercise by the President of the authority provided by paragraph (1) until such time as the President makes the certification provided for in paragraph (3).

(D) PLO COMMITMENTS DESCRIBED.—The commitments referred to in subparagraphs (B) and (C)(i) are the commitments made by the PLO—

(i) in its letter of September 9, 1993, to the Prime Minister of Israel and in its letter of September 9, 1993, to the Foreign Minister of Norway to—

(I) recognize the right of the State of Israel to exist in peace and security;

(II) accept United Nations Security Council Resolutions 242 and 338;

(III) renounce the use of terrorism and other acts of violence;

(IV) assume responsibility over all PLO elements and personnel in order to assure their compliance, prevent violations, and discipline violators;

(V) call upon the Palestinian people in the West Bank and Gaza Strip to take part in the steps leading to the normalization of life, rejecting violence and terrorism, and contributing to peace and stability; and

(VI) submit to the Palestine National Council for formal approval the necessary changes to the Palestinian National Covenant eliminating calls for Israel's destruction; and

(ii) in, and resulting from, the good faith implementation of the Declaration of Principles, including good faith implementation of subsequent agreements with Israel, with particular attention to the objective of preventing terrorism, as reflected in the provisions of the Gaza-Jericho Agreement concerning—

(I) prevention of acts of terrorism and legal measures against terrorists;

(II) abstention from and prevention of incitement, including hostile propaganda;

(III) operation of armed forces other than the Palestinian Police;

(IV) possession, manufacture, sale, acquisition, or importation of weapons;

(V) employment of police who have been convicted of serious crimes or have been found to be actively involved in terrorist activities subsequent to their employment;

(VI) transfers to Israel of individuals suspected of, charged with, or convicted of an offense that falls within Israeli criminal jurisdiction;

(VII) cooperation with the Government of Israel in criminal matters, including cooperation in the conduct of investigations; and

(VIII) exercise of powers and responsibilities under the agreement with due regard to internationally accepted norms and principles of human rights and the rule of law.

(E) POLICY JUSTIFICATION.—As part of the President's written policy justification to be submitted to the relevant congressional committees pursuant to subparagraph (A), the President shall report on—

(i) the manner in which the PLO has complied with the commitments specified in subparagraph (D), including responses to individual acts of terrorism and violence, actions to discipline perpetrators of terror and violence, and actions to preempt acts of terror and violence;

(ii) the extent to which the PLO has fulfilled the requirements specified in paragraph (3);

(iii) actions that the PLO has taken with regard to the Arab League boycott of Israel;

(iv) the status and activities of the PLO office in the United States; and

(v) the status of United States and international assistance efforts in the areas subject to jurisdiction of the Palestinian Authority or its successors.

(3) REQUIREMENT FOR CONTINUED PROVISION OF ASSISTANCE.—Six months after the date of enactment of this Act, no assistance shall be provided pursuant to the exercise by the President of the authority provided by paragraph (1), unless and until the President determines and so certifies to the Congress that—

(A) if the Palestinian Council has been elected and assumed its responsibilities, the Council has, within a reasonable time, effectively disavowed the articles of the Palestine National Covenant which call for Israel's destruction, unless the necessary changes to the Covenant have already been submitted to the Palestine National Council for formal approval;

(B) the PLO has exercised its authority resolutely to establish the necessary enforcement institution, including laws, police, and a judicial system, for apprehending, prosecuting, convicting, and imprisoning terrorists;

(C) the PLO has limited participation in the Palestinian Authority and its successors to individuals and groups in accordance with the terms that may be agreed with Israel;

(D) the PLO has not provided any financial or material assistance or training to any group, whether or not affiliated with the PLO to carry out actions inconsistent with the Declaration of Principles, particularly acts of terrorism against Israel;

(E) the PLO has cooperated in good faith with Israeli authorities in the preemption of acts of terrorism and in the apprehension and trial of perpetrators of terrorist acts in Israel, territories controlled by Israel, and all areas subject to jurisdiction of the Palestinian Authority and its successors; and

(F) the PLO has exercised its authority resolutely to enact and implement laws requiring the disarming of civilians not specifically licensed to possess or carry weapons.

(4) PROVISIONS THAT MAY BE SUSPENDED.—The provisions that may be suspended under the authority of paragraph (1) are the following:

(A) Section 307 of the Foreign Assistance Act of 1961 (22 U.S.C. 2227) as it applies with respect to the PLO or entities associated with it.

(B) Section 114 of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 287e note) as it applies with respect to the PLO or entities associated with it.

(C) Section 1003 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 5202).

(D) Section 37 of the Bretton Woods Agreement Act (22 U.S.C. 286W) as it applies to the granting to the PLO of observer status or other official status at any meeting sponsored by or associated with International Monetary Fund. As used in this subparagraph, the term ''other official status'' does not include membership in the International Monetary Fund.

(5) RELEVANT CONGRESSIONAL COMMITTEES DEFINED.—As used in this subsection, the term ''relevant congressional committees'' means—

(A) the Committee on International Relations, the Committee on Banking, Finance and Urban Affairs, and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

DIVISION B—CONSOLIDATION AND REINVENTION OF FOREIGN AFFAIRS AGENCIES

SEC. 1001. SHORT TITLE.

This division may be cited as the ''Foreign Affairs Reinvention Act of 1995''.

SEC. 1002. PURPOSES.

The purposes of this division are—

(1) to reorganize and reinvent the foreign affairs agencies of the United States in order to enhance the formulation, coordination, and implementation of United States foreign policy;

(2) to streamline and consolidate the functions and personnel of the Department of State, the Agency for International Development, the United States Information Agency, and the United States Arms Control and Disarmament Agency in order to eliminate redundancies in the functions and personnel of such agencies;

(3) to assist congressional efforts to balance the Federal budget and reduce the Federal debt;

(4) to ensure that the United States maintain adequate representation abroad within budgetary restraints;

(5) to ensure that programs critical to the promotion of United States national interests be maintained;

(6) to strengthen the authority of United States ambassadors over all United States Government personnel and resources located in United States diplomatic missions in order to enhance the ability of the ambassadors to deploy such personnel and resources to the best effect to attain the President's foreign policy objectives;

(7) to encourage United States foreign affairs agencies to maintain a high percentage of the best qualified, most competent United States citizens serving in the United States Government while downsizing significantly the total number of people employed by such agencies; and

(8) to ensure that all functions of United States diplomacy be subject to recruitment, training, assignment, promotion, and egress based on common standards and procedures while preserving maximum interchange among such functions.

TITLE XI—ORGANIZATION OF THE DEPARTMENT OF STATE AND FOREIGN SERVICE

SEC. 1101. OFFICE OF THE SECRETARY OF STATE.

Section 1 of the State Department Basic Authorities of 1956 (22 U.S.C. 2651a) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

''(3) The Secretary shall serve as the principal foreign policy adviser to the President and shall, under the direction of the President, be responsible for the overall direction, coordination, and supervision of United States foreign relations and for the interdepartmental activities of the United States Government abroad.''.

SEC. 1102. ASSUMPTION OF DUTIES BY INCUMBENT APPOINTEES.

An individual holding an office immediately prior to the date of enactment of this Act—

(1) who was appointed to the office by the President, by and with the advice and consent of the Senate; and

(2) who performs duties substantially similar to the duties of an office proposed to be created under a reorganization plan submitted under section 1501,

may, in the discretion of the Secretary of State, assume the duties of such new office, and shall not be required to be reappointed by reason of the implementation of the reorganization plan.

SEC. 1103. CONSOLIDATION OF UNITED STATES DIPLOMATIC MISSIONS AND CONSULAR POSTS.

(a) CONSOLIDATION PLAN.—The Secretary of State shall develop a worldwide plan for the consolidation, wherever practicable, on a regional or areawide basis, of United States missions and consular posts abroad in order to carry out this section.

(b) CONTENTS OF PLAN.—The plan shall—

(1) identify the specific United States diplomatic missions and consular posts for consolidation;

(2) identify those missions and posts at which the resident ambassador would also be accredited to other specified states in which the United States either maintained no resident official presence or maintained such a presence only at staff level; and

(3) provide an estimate of—

(A) the amount by which expenditures would be reduced through the reduction in the number of United States Government personnel assigned abroad;

(B) the amount by which expenditures would be reduced through a reduction in the costs of maintaining United States properties abroad; and

(C) the amount of revenues generated to the United States through the sale or other disposition of United States properties associated with the posts to be consolidated abroad.

(c) TRANSMITTAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of State shall transmit a copy of the plan to the appropriate congressional committees.

(d) IMPLEMENTATION.—Not later than 60 days after transmittal of the plan under subsection (c), the Secretary of State shall take steps to implement the plan unless the Congress before such date enacts legislation disapproving the plan.

(e) CONGRESSIONAL PRIORITY PROCEDURES.—(1) A joint resolution described in paragraph (2) which is introduced in a House of Congress after the date on which a plan developed under subsection (a) is received by Congress, shall be considered in accordance with the procedures set forth in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473 (98 Stat. 1936)), except that—

(A) references to the ''report described in paragraph (1)'' shall be deemed to be references to the joint resolution; and

(B) references to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) A joint resolution under this paragraph is a joint resolution the matter after the resolving clause of which is as follows: ''That the Congress disapproves the plan submitted by the President on _____ pursuant to section 1109 of the Foreign Affairs Reinvention Act of 1995.''.

(f) RESUBMISSION OF PLAN.—If, within 60 days of transmittal of a plan under subsection (c), Congress enacts legislation disapproving the plan, the President shall transmit to the appropriate congressional committees a revised plan developed under subsection (a).

(g) STATUTORY CONSTRUCTION.—Nothing in this section requires the termination of United States diplomatic or consular relations with any foreign country.

(h) DEFINITIONS.—As used in this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) PLAN.—The term ''plan'' means the plan developed under subsection (a).

SEC. 1104. PROCEDURES FOR COORDINATION OF GOVERNMENT PERSONNEL AT OVERSEAS POSTS.

(a) AMENDMENT OF THE FOREIGN SERVICE ACT OF 1980.—Section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927) is amended—

(1) by redesignating subsection (c) as subsection (e); and

(2) by inserting after subsection (b) the following:

''(c)(1) In carrying out subsection (b), the head of each department, agency, or other entity of the executive branch of Government shall ensure that, in coordination with the Department of State, the approval of the chief of mission to a foreign country is sought on any proposed change in the size, composition, or mandate of employees of the respective department, agency, or entity (other than employees under the command of a United States area military commander) if the employees are performing duties in that country.

''(2) In seeking the approval of the chief of mission under paragraph (1), the head of a department, agency, or other entity of the executive branch of Government shall comply with the procedures set forth in National Security Decision Directive Number 38, as in effect on June 2, 1982, and the implementing guidelines issued thereunder.

''(d) The Secretary of State, in the sole discretion of the Secretary, may accord diplomatic titles, privileges, and immunities to employees of the executive branch of Government who are performing duties in a foreign country.''.

(b) REVIEW OF PROCEDURES FOR COORDINATION.—(1) The President shall conduct a review of the procedures contained in National Security Decision Directive Number 38, as in effect

on June 2, 1982, and the practices in implementation of those procedures, to determine whether the procedures and practices have been effective to enhance significantly the coordination among the several departments, agencies, and entities of the executive branch of Government represented in foreign countries.

(2) Not later than 180 days after the date of enactment of this Act, the President shall submit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a report containing the findings of the review conducted under paragraph (1), together with any recommendations for legislation as the President may determine to be necessary.

TITLE XII—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

SEC. 1201. ABOLITION OF THE ACDA; REFERENCES IN PART.

(a) ABOLITION.—The United States Arms Control and Disarmament Agency is abolished on the effective date of this title.

(b) CONFORMING REPEAL.—Section 21 of the Arms Control and Disarmament Act (22 U.S.C. 2561) is repealed.

(c) REFERENCES IN TITLE.—Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed as an amendment to or repeal of a provision, the reference shall be deemed to be made to the Arms Control and Disarmament Act.

SEC. 1202. REPEAL OF POSITIONS AND OFFICES.

The following sections are repealed:

(1) Section 22 (22 U.S.C. 2562; relating to the Director).

(2) Section 23 (22 U.S.C. 2563; relating to the Deputy Director).

(3) Section 24 (22 U.S.C. 2564; relating to Assistant Directors).

(4) Section 25 (22 U.S.C. 2565; relating to bureaus, offices, and divisions).

SEC. 1203. AUTHORITIES OF THE SECRETARY OF STATE.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), the Arms Control and Disarmament Act (22 U.S.C. 2551 et seq.) is amended by striking ''Agency'' and ''Director'' each place it appears and inserting ''Department'' and ''Secretary'', respectively.

(2) No amendment shall be made under paragraph (1) to references to the On-Site Inspection Agency or to the Director of Central Intelligence.

(b) PURPOSE.—Section 2 (22 U.S.C. 2551) is amended—

(1) by striking the second, fourth, fifth, and sixth sentences; and

(2) in the seventh sentence, by striking ''It'' and all that follows through ''State,'' and inserting ''The Department of State shall have the authority''.

(c) DEFINITIONS.—Section 3 (22 U.S.C. 2552) is amended by striking paragraph (c) and inserting the following:

''(c) The term 'Department' means the Department of State.

''(d) The term 'Secretary' means the Secretary of State.''.

(d) SCIENTIFIC AND POLICY ADVISORY COMMITTEE.—Section 26(b) (22 U.S.C. 2566(b)) is amended by striking '', the Secretary of State, and the Director'' and inserting ''and the Secretary of State''.

(e) PRESIDENTIAL SPECIAL REPRESENTATIVES.—Section 27 (22 U.S.C. 2567) is amended by striking '', acting through the Director''.

(f) PROGRAM FOR VISITING SCHOLARS.—Section 28 (22 U.S.C. 2568) is amended—

(1) in the second sentence, by striking ''Agency's activities'' and inserting ''Department's arms control, nonproliferation, and disarmament activities''; and

(2) in the fourth sentence, by striking '', and all former Directors of the Agency''.

(g) POLICY FORMULATION.—Section 33(a) (22 U.S.C. 2573(a)) is amended by striking ''shall prepare for the President, the Secretary of State,'' and inserting ''shall prepare for the President''.

(h) NEGOTIATION MANAGEMENT.—Section 34 (22 U.S.C. 2574) is amended—

(1) in subsection (a), by striking ''the President and the Secretary of State'' and inserting ''the President''; and

(2) by striking subsection (b).

(i) VERIFICATION OF COMPLIANCE.—Section 37(d) (22 U.S.C. 2577(d)) is amended by striking ''Director's designee'' and inserting ''Secretary's designee''.

(j) GENERAL AUTHORITY.—Section 41 (22 U.S.C. 2581) is repealed.

(k) USE OF FUNDS.—Section 48 (22 U.S.C. 2588) is repealed.

(l) ANNUAL REPORT.—Section 51(a) (22 U.S.C. 2593a(a)) is amended by striking ''the Secretary of State,''.

(m) REQUIREMENT FOR AUTHORIZATION OF APPROPRIATIONS.—Section 53 (22 U.S.C. 2593c) is repealed.

(n) ON-SITE INSPECTION AGENCY.—Section 61 (22 U.S.C. 2595) is amended—

(1) in paragraph (1), by striking ''United States Arms Control and Disarmament Agency is'' and inserting ''Department of State and the Department of Defense are respectively''; and

(2) in paragraph (7), by striking ''the United States Arms Control and Disarmament Agency and''.

SEC. 1204. AUTHORIZATION OF APPROPRIATIONS.

Section 106 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended—

(1) by amending the section heading to read as follows:

''SEC. 106. DEPARTMENT OF STATE ARMS CONTROL AND DISARMAMENT ACTIVITIES.'';

and

(2) in subsection (a), by inserting ''to the Secretary of State'' after ''appropriated''.

SEC. 1205. CONFORMING AMENDMENTS.

(a) The Arms Export Control Act is amended—

(1) in section 36(b)(1)(D) (22 U.S.C. 2776(b)(1)(D)), by striking ''Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and'' and inserting ''Secretary of State in consultation with'';

(2) in section 38(a)(2) (22 U.S.C. 2778(a)(2))—

(A) in the first sentence, by striking ''Director of the United States Arms Control and Disarmament Agency, taking into account the Director's'' and inserting ''Secretary of State, taking into account the Secretary's''; and

(B) in the second sentence, by striking ''The Director of the Arms Control and Disarmament Agency is authorized, whenever the Director'' and inserting ''The Secretary of State is authorized, whenever the Secretary'';

(3) in section 42(a) (22 U.S.C. 2791(a))—

(A) in paragraph (1)(C), by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(ii) in the second sentence, by striking ''Director of the Arms Control and Disarmament Agency is authorized, whenever the Director'' and inserting ''Secretary of State is authorized, whenever the Secretary'';

(4) in section 71(a) of such Act (22 U.S.C. 2797(a)), by striking '', the Director of the Arms Control and Disarmament Agency,'' and inserting ''Secretary of State'';

(5) in section 71(b)(1) of such Act (22 U.S.C. 2797(b)(1)), by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State;

(6) in section 71(b)(2) of such Act (22 U.S.C. 2797(b)(2))—

(A) by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(B) by striking ''or the Director'';

(7) in section 71(c) of such Act (22 U.S.C. 2797(c)), by striking ''Director of the United States Arms Control and Disarmament Agency,'' and inserting ''Secretary of State''; and

(8) in section 73(d) of such Act (22 U.S.C. 2797b(d)), by striking '', the Secretary of Commerce, and the Director of the United States Arms Control and Disarmament Agency'' and inserting ''and the Secretary of Commerce''.

(b) Section 1706(b) of the United States Institute of Peace Act (22 U.S.C. 4605(b)) is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(3) in paragraph (4) (as redesignated by paragraph (2)), by striking ''Eleven'' and inserting ''Twelve''.

(c) The Atomic Energy Act of 1954 is amended—

(1) in section 57 b. (42 U.S.C. 2077(b))—

(A) in the first sentence, by striking ''the Arms Control and Disarmament Agency,'', and

(B) in the second sentence, by striking ''the Director of the Arms Control and Disarmament Agency,'', and

(2) in section 123 (42 U.S.C. 2153)—

(A) in subsection a. (in the text below paragraph (9)—

(i) by striking ''and in consultation with the Director of the Arms Control and Disarmament Agency ('the Director')'', and

(ii) by striking ''and the Director'' and inserting ''and the Secretary of Defense'',

(B) in subsection d., in the first proviso, by striking ''Director of the Arms Control and Disarmament Agency'' and inserting ''Secretary of Defense'', and

(C) in the first undesignated paragraph following subsection d., by striking ''the Arms Control and Disarmament Agency,''.

(d) The Nuclear Non-Proliferation Act of 1978 is amended—

(1) in section 4, by striking paragraph (2);

(2) in section 102, by striking ''the Secretary of State, and the Director of the Arms Control and Disarmament Agency'' and inserting ''and the Secretary of State''; and

(3) in section 602(c), by striking ''the Arms Control and Disarmament Agency,''.

(e) Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Director of the United States Arms Control and Disarmament Agency.'',

(2) in section 5314, by striking ''Deputy Director of the United States Arms Control and Disarmament Agency.'',

(3) in section 5315—

(A) by striking ''Assistant Directors, United States Arms Control and Disarmament Agency (4).'', and

(B) by striking ''Special Representatives of the President for arms control, nonproliferation, and disarmament matters, United States Arms Control and Disarmament Agency'', and inserting ''Special Representatives of the President for arms control, nonproliferation, and disarmament matters, Department of State'', and

(4) in section 5316, by striking ''General Counsel of the United States Arms Control and Disarmament Agency.''.

SEC. 1206. REFERENCES IN LAW.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to the United States Arms Control and Disarmament Agency or the Director or other official of the United States Arms Control and Disarmament Agency shall be deemed to refer respectively to the Department of State or the Secretary of State or other official of the Department of State.

SEC. 1207. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect only in the event of the

abolition of the independent foreign affairs agencies specified in section 1501(e).

TITLE XIII—UNITED STATES INFORMATION AGENCY

SEC. 1301. ABOLITION.

The United States Information Agency is abolished upon the effective date of this title.

SEC. 1302. REFERENCES IN LAW.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Information Agency or the Director of the International Communication Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Information Agency, USIA, or the International Communication Agency shall be deemed to refer to the Department of State.

SEC. 1303. AMENDMENTS TO TITLE 5.

Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Director of the United States Information Agency.'';

(2) in section 5315, by striking ''Deputy Director of the United States Information Agency.''; and

(3) in section 5316, by striking ''Deputy Director, Policy and Plans, United States Information Agency.'' and striking ''Associate Director (Policy and Plans), United States Information Agency.''.

SEC. 1304. AMENDMENTS TO UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948.

(a) REFERENCES IN SECTION.—Except as specifically provided in this section, whenever in this section an amendment or repeal is expressed as an amendment or repeal of a provision, the reference shall be deemed to be made to the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431 et seq.).

(b) IN GENERAL.—Except as otherwise provided in this section, the Act (other than section 604 and subsections (a) and (c) of section 701) is amended—

(1) by striking ''United States Information Agency'' each place it appears and inserting ''Department of State'';

(2) by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State'';

(3) by striking ''Director'' each place it appears and inserting ''Secretary of State'';

(4) by striking ''USIA'' each place it appears and inserting ''Department of State''; and

(5) by striking ''Agency'' each place it appears and inserting ''Department of State.

(c) SATELLITE AND TELEVISION BROADCASTS.—Section 505 (22 U.S.C. 1464a) is amended—

(1) by striking ''Director of the United States Information Agency'' each of the three places it appears and inserting ''Secretary of State'';

(2) in subsection (b), by striking ''To be effective, the United States Information Agency'' and inserting ''To be effective in carrying out this subsection, the Department of State'';

(3) by striking ''USIA–TV'' each place it appears and inserting ''DEPARTMENT OF STATE–TV''; and

(4) by striking subsection (e).

(d) NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS.—Section 704 (22 U.S.C. 1477b) is amended—

(1) in subsection (b), by inserting after ''authorized by law'' the following: ''in connection with carrying out the informational and educational exchange functions of the Department''; and

(2) in subsection (c), by striking ''United States Information Agency'' each place it appears and inserting ''Department of State in carrying out the informational and educational exchange functions of the Department''.

(e) REPROGRAMMING NOTIFICATIONS.—Section 705 (22 U.S.C. 1477c) is amended by striking ''United States Information Agency'' each place it appears and inserting ''Department of State in carrying out its informational and educational exchange functions''.

(f) AUTHORITIES OF THE SECRETARY.—Section 801(3) (22 U.S.C. 1471(3)) is amended by striking all ''if the sufficiency'' and all that follows and inserting ''if the Secretary determines that title to such real property or interests is sufficient;''.

(g) REPEAL OF THE USIA SEAL.—Section 807 (22 U.S.C. 1475b) is repealed.

(h) ACTING ASSOCIATE DIRECTORS.—Section 808 (22 U.S.C. 1475c) is repealed.

(i) DEBT COLLECTION.—Section 811 (22 U.S.C. 1475f) is amended by inserting ''informational and educational exchange'' before ''activities'' each place it appears.

(j) OVERSEAS POSTS.—Section 812 (22 U.S.C. 1475g) is amended by striking ''United States Information Agency post'' each place it appears and inserting ''informational and educational exchange post of the Department of State''.

(k) DEFINITION.—Section 4 (22 U.S.C. 1433) is amended by adding at the end the following:

''(4) 'informational and educational exchange functions', with respect to the Department of State, refers to functions exercised by the United States Information Agency before the effective date of title XIII of the Foreign Affairs Reinvention Act of 1995.''.

SEC. 1305. AMENDMENTS TO THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961 (FULBRIGHT-HAYS ACT).

(a) REFERENCES IN SECTION.—Except as specifically provided in this section, whenever in this section an amendment or repeal is expressed as an amendment or repeal of a provision, the reference shall be deemed to be made to the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.).

(b) IN GENERAL.—The Act (22 U.S.C. 2451 et seq.) is amended by striking ''Director of the International Communication Agency'' each place it appears and inserting ''Secretary of State''.

(c) PROGRAM AUTHORITIES.—(1) Section 102(a) (22 U.S.C. 2452(a)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(2) Section 102(b) (22 U.S.C. 2452(b)) is amended by striking ''President'' and inserting ''Secretary of State (except, in the case of paragraphs (6) and (10), the President)''.

(d) INTERNATIONAL AGREEMENTS.—Section 103 (22 U.S.C. 2453) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(e) PERSONNEL BENEFITS.—Section 104(d) (22 U.S.C. 2454(d)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(f) FOREIGN STUDENT COUNSELING.—Section 104(e)(3) (22 U.S.C. 2454(e)(3)) is amended by striking ''President'' and inserting ''Secretary of State''.

(g) PUBLICITY AND PROMOTION OVERSEAS.—Section 104(e)(4) (22 U.S.C. 2454(e)(4)) is amended by striking ''President'' and inserting ''Secretary of State''.

(h) USE OF FUNDS.—Section 105(e) (22 U.S.C. 2455(e)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(i) REPEAL OF AUTHORITY FOR ABOLISHED ADVISORY COMMITTEE.—Section 106(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2456(c)) is repealed.

(j) BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.—

(1) IN GENERAL.—Section 112(a) (22 U.S.C. 2460(a)) is amended by striking the first sentence and inserting the following: ''In order to carry out the purposes of this Act, there is established in the Department of State a Bureau for International Exchange Activities (in this section referred to as the ''Bureau'').

(2) IMPLEMENTATION OF PROGRAMS.—Section 112(c) (22 U.S.C. 2460(c)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

SEC. 1306. INTERNATIONAL BROADCASTING ACTIVITIES.

(a) IN GENERAL.—(1) Except as otherwise provided in paragraph (2), title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended—

(A) by striking ''Director of the United States Information Agency'' or ''Director'' each place it appears and inserting ''Under Secretary of State for Public Diplomacy'';

(B) by striking all references to ''United States Information Agency'' that were not stricken in subparagraph (A) and inserting ''Department of State'';

(C) in section 305(a)(1), by inserting ''(including activities of the Voice of America previously carried out by the United States Information Agency)'' after ''this title'';

(D) in section 305(b), by striking ''Agency's'' each place it appears and inserting ''Department's''; and

(E) by striking ''Bureau'' each place it appears and inserting ''Office''.

(2) Title III of such Act is amended—

(A) in section 304(c)—

(i) by striking ''Director's'' and inserting ''Under Secretary's''; and

(ii) in the fifth sentence, by striking ''Director of the United States Information Agency, the acting Director of the agency'' and inserting ''Under Secretary of State for Public Diplomacy, the acting Under Secretary'';

(B) in sections 305(b) and 307(b)(1), by striking ''Director of the Bureau'' each place it appears and inserting ''Director of the Office'';

(C) in subsections (i) and (j) of section 308, by striking ''Inspector General of the United States Information Agency'' each place it appears and inserting ''Inspector General for Foreign Affairs''; and

(D) in section 310(d), by striking ''Director on the date of enactment of this Act, to the extent that the Director'' and inserting ''Under Secretary on the effective date of title XIII of the Foreign Affairs Reinvention Act of 1995, to the extent that the Under Secretary''.

(b) CONFORMING AMENDMENT TO TITLE 5.—Section 5315 of title 5, United States Code, is amended by striking ''Director of the International Broadcasting Bureau, the United States Information Agency'' and inserting ''Director of the International Broadcasting Office, the Department of State''.

SEC. 1307. TELEVISION BROADCASTING TO CUBA.

(a) AUTHORITY.—Section 243(a) of the Television Broadcasting to Cuba Act (as contained in part D of title II of Public Law 101–246) (22 U.S.C. 1465bb(a)) is amended by striking ''United States Information Agency (hereafter in this part referred to as the 'Agency')'' and inserting ''Department of State (hereafter in this title referred to as the 'Department')''.

(b) TELEVISION MARTI SERVICE.—Section 244 of such Act (22 U.S.C. 1465cc) is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: ''The Secretary of State shall administer within the Voice of America the Television Marti Service.'', and

(B) in the third sentence, by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''USIA'' and inserting ''Department of State'',

(B) by striking ''Agency facilities'' and inserting ''Department facilities'', and

(C) by striking ''United States Information Agency Television Service'' and inserting ''Department of State Television Service''; and

(3) in subsection (c)—

(A) by striking ''USIA AUTHORITY.—The Agency'' and inserting ''SECRETARY OF STATE AUTHORITY.—The Secretary of State''; and

(B) by striking ''Agency'' the second place it appears and inserting ''Secretary of State''.

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 246 of such Act (22 U.S.C. 1465dd) is amended—

(1) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) by striking ''the Agency'' and inserting ''the Department''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 247(a) of such Act (22 U.S.C. 1465ee(a)) is repealed.

SEC. 1308. RADIO BROADCASTING TO CUBA.

(a) FUNCTIONS OF THE DEPARTMENT OF STATE.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended—

(1) in the section heading, by striking ''United States Information Agency'' and inserting ''Department of State'';

(2) in subsection (a), by striking ''United States Information Agency (hereafter in this Act referred to as the 'Agency')'' and inserting ''Department of State (hereafter in this Act referred to as the 'Department')'';

(3) by striking subsection (d); and

(4) in subsection (f), by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(b) CUBA SERVICE.—Section 4 of such Act (22 U.S.C. 1465b) is amended—

(1) by amending the first sentence to read as follows: ''The Secretary of State shall administer within the Voice of America the Cuba Service (hereafter in this section referred to as the 'Service').''; and

(2) in the third sentence, by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 6 of such Act (22 U.S.C. 1465d) is amended—

(1) in subsection (a)—

(A) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(B) by striking ''the Agency'' and inserting ''the Department''; and

(2) in subsection (b)—

(A) by striking ''The Agency'' and inserting ''The Department''; and

(B) by striking ''the Agency'' and inserting ''the Secretary of State''.

(d) FACILITY COMPENSATION.—Section 7 of such Act (22 U.S.C. 1465e) is amended—

(1) in subsection (b), by striking ''the Agency'' and inserting ''the Department''; and

(2) in subsection (d), by striking ''Agency'' and inserting ''Department''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 8 of such Act (22 U.S.C. 1465f) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

''(a) The amount obligated by the Department of State each fiscal year to carry out this Act shall be sufficient to maintain broadcasts to Cuba under this Act at rates no less than the fiscal year 1985 level of obligations by the former United States Information Agency for such broadcasts.''; and

(2) by redesignating subsection (c) as subsection (b).

SEC. 1309. NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) GRANTS.—Section 503 of Public Law 98–164, as amended (22 U.S.C. 4412) is amended—

(1) in subsection (a)—

(A) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State'';

(B) by striking ''the Agency'' and inserting ''the Department of State''; and

(C) by striking ''the Director'' and inserting ''the Secretary of State''; and

(2) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State''.

(b) AUDITS.—Section 504(g) of such Act (22 U.S.C. 4413(g)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(c) FREEDOM OF INFORMATION.—Section 506 of such Act (22 U.S.C. 4415) is amended—

(1) in subsection (b)—

(A) by striking ''Director'' each of the three places it appears and inserting ''Secretary''; and

(B) by striking ''of the United States Information Agency'' and inserting ''of State''; and

(2) in subsection (c)—

(A) in the subsection heading by striking ''USIA'' and inserting ''DEPARTMENT OF STATE'';

(B) by striking ''Director'' each of the three places it appears and inserting ''Secretary'';

(C) by striking ''of the United States Information Agency'' and inserting ''of State''; and

(D) by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 1310. UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES.

(a) PROGRAM AUTHORITY.—Section 603 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4703) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(b) GUIDELINES.—Section 604(11) of such Act (22 U.S.C. 4704(11)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(c) POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.—Section 606(b) of such Act (22 U.S.C. 4706(b)) is amended—

(1) in the subsection heading, by striking ''USIA'' and inserting ''STATE DEPARTMENT''; and

(2) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(d) GENERAL AUTHORITIES.—Section 609(e) of such Act (22 U.S.C. 4709(e)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 1311. NATIONAL SECURITY EDUCATION BOARD.

Section 803 of the Intelligence Authorization Act, Fiscal Year 1992 (50 U.S.C. 1903(b)) is amended—

(1) in subsection (b)—

(A) by striking paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (6); and

(2) in subsection (c), by striking ''subsection (b)(7)'' and inserting ''subsection (b)(6)''.

SEC. 1312. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is amended by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State''.

SEC. 1313. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.

(a) DUTIES.—Section 703 of the Mutual Security Act of 1960 (22 U.S.C. 2055) is amended—

(1) in the text above paragraph (1), by striking ''Director of the United States Information Agency'' (hereinafter referred to as the 'Director')'' and inserting ''Secretary of State (hereinafter referred to as the 'Secretary'); and

(2) in paragraph (1), by striking ''establishment and''.

(b) ADMINISTRATION.—Section 704 of such Act (22 U.S.C. 2056) is amended—

(1) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''; and

(2) by striking ''Director'' each place it appears and inserting ''Secretary''.

SEC. 1314. MISSION OF THE DEPARTMENT OF STATE.

Section 202 of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 1461–1) is amended—

(1) in the first sentence, by striking ''mission of the United States Information Agency'' and inserting ''mission of the Department of State in carrying out its information, educational, and cultural functions'';

(2) in the second sentence, in the text above paragraph (1), by striking ''United States Information Agency'' and inserting ''Department of State'';

(3) in paragraph (1)(B), by striking ''Agency'' and inserting ''Department''; and

(4) in paragraph (5), by striking ''mission of the Agency'' and inserting ''mission described in this section''.

SEC. 1315. CONSOLIDATION OF ADMINISTRATIVE SERVICES.

Section 23 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2695(a)) is amended—

(1) by striking ''(including'' and all that follows through ''Agency)''; and

(2) by striking ''other such agencies'' and inserting ''other Federal agencies''.

SEC. 1316. GRANTS.

Section 212 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 1475h) is amended—

(1) in subsection (a), by striking ''United States Information Agency'' and inserting ''Department of State, in carrying out its international information, educational, and cultural functions,'';

(2) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State'';

(3) in subsection (c)—

(A) in paragraph (1), by striking ''United States Information Agency shall substantially comply with United States Information Agency'' and inserting ''Department of State, in carrying out its international information, educational, and cultural functions, shall substantially comply with Department of State''; and

(B) in paragraph (2), by striking ''United States Information Agency'' and inserting ''Department of State''; and

(C) in paragraphs (2) and (3), by striking ''Agency'' each of the two places it appears and inserting ''Department''; and

(4) by striking subsection (d).

SEC. 1317. BAN ON DOMESTIC ACTIVITIES.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) is amended—

(1) by striking out ''United States Information Agency'' each of the two places it appears and inserting ''Department of State''; and

(2) by inserting ''in carrying out international information, educational, and cultural activities comparable to those previously administered by the United States Information Agency'' before ''shall be distributed''.

SEC. 1318. CONFORMING REPEAL TO THE ARMS CONTROL AND DISARMAMENT ACT.

Section 34(b) of the Arms Control and Disarmament Act (22 U.S.C. 2574(b)) is repealed.

SEC. 1319. REPEAL RELATING TO PROCUREMENT OF LEGAL SERVICES.

Section 26(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698(b)) is repealed.

SEC. 1320. REPEAL RELATING TO PAYMENT OF SUBSISTENCE EXPENSES.

Section 32 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2704) is amended by striking the second sentence.

SEC. 1321. CONFORMING AMENDMENT TO THE SEED ACT.

Section 2(c) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401(c)) is amended in paragraph (17) by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 1322. INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION.

Section 7(c)(1) of the Federal Triangle Development Act (40 U.S.C. 1106(c)(1)) is amended—

(1) in the text above subparagraph (A), by striking ''15 members'' and inserting ''14 members'';

(2) by striking subparagraph (F); and

(3) by redesignating subparagraphs (G) through (J) as subparagraphs (F) through (I), respectively.

SEC. 1323. OTHER LAWS REFERENCED IN REORGANIZATION PLAN NO. 2 OF 1977.

(a) IMMIGRATION AND NATIONALITY ACT.—(1) Section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)) is amended by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(2) Section 212(e) of such Act (8 U.S.C. 1182(e)) is amended—

(A) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''; and

(B) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) ARTS AND ARTIFACTS INDEMNITY ACT.—Section 3(a) of the Arts and Artifacts Indemnity Act (20 U.S.C. 972(a)) is amended by striking out ''Director of the United States Information Agency'' and inserting in lieu thereof ''Secretary of State''.

(c) NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965.—Section 9(b) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958(b)) is amended by striking out ''a member designated by the Director of the United States Information Agency,'' and inserting in lieu thereof ''a member designated by the Secretary of State,''.

(d) WOODROW WILSON MEMORIAL ACT OF 1968.—Section 3(b) of the Woodrow Wilson Memorial Act of 1968 (20 U.S.C. 80f(b)) is amended—

(1) in the matter preceding paragraph (1), by striking out ''19 members'' and inserting in lieu thereof ''18 members'';

(2) by striking out paragraph (7); and

(3) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(e) PUBLIC LAW 95–86.—Title V of the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriations Act, 1978 (Public Law 95–86) is amended in the third proviso of the paragraph ''SALARIES AND EXPENSES'' under the heading ''UNITED STATES INFORMATION AGENCY'' (22 U.S.C. 1461b) by striking out ''the United States Information Agency is authorized,'' and inserting in lieu thereof ''the Secretary of State may,''.

(f) ACT OF JULY 9, 1949.—The Act of July 9, 1949 (63 Stat. 408; chapter 301; 22 U.S.C. 2681 et seq.) is repealed.

SEC. 1324. EXCHANGE PROGRAM WITH COUNTRIES IN TRANSITION FROM TOTALITARIANISM TO DEMOCRACY.

Section 602 of the National and Community Service Act of 1990 (22 U.S.C. 2452a) is amended—

(1) in the second sentence of subsection (a), by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) in subsection (b)—

(A) by striking ''appropriations account of the United States Information Agency'' and inserting ''appropriate appropriations account of the Department of State''; and

(B) by striking ''and the United States Information Agency''.

SEC. 1325. EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note) is amended—

(1) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) by striking subsection (d).

SEC. 1326. IMPLEMENTATION OF CONVENTION ON CULTURAL PROPERTY.

Title III of the Convention on Cultural Property Implementation Act (19 U.S.C. 2601 et seq.) is amended by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State''.

SEC. 1327. MIKE MANSFIELD FELLOWSHIPS.

Part C of title II of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6101 et seq.) is amended—

(1) by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State''; and

(2) by striking ''United States Information Agency'' each place it appears and inserting ''Department of State''.

SEC. 1328. UNITED STATES ADVISORY COMMITTEE FOR PUBLIC DIPLOMACY.

Section 604 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1469) is amended—

(1) in subsection (c)(1)—

(A) by striking ''the Director of the United States Information Agency,''; and

(B) by striking ''Director or the Agency, and shall appraise the effectiveness of policies and programs of the Agency'' and inserting ''Secretary of State or the Department of State, and shall appraise the effectiveness of the information, educational, and cultural policies and programs of the Department'';

(2) in subsection (c)(2), in the first sentence—

(A) by striking ''the Secretary of State, and the Director of the United States Information Agency'' and inserting '', and the Secretary of State'';

(B) by striking ''Agency'' the first place it appears and inserting ''Department of State''; and

(C) by striking ''Director for effectuating the purposes of the Agency'' and inserting ''Secretary for effectuating the information, educational, and cultural functions of the Department'';

(3) in subsection (c)(3), by striking ''programs conducted by the Agency'' and inserting ''information, educational, and cultural programs conducted by the Department of State''; and

(4) in subsection (c)(4), by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

SEC. 1329. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect only in the event of the abolition of the independent foreign affairs agencies specified in section 1501(e).

TITLE XIV—AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SEC. 1401. ABOLITIONS; REFERENCES IN PART.

(a) ABOLITIONS.—The Agency for International Development and the International Development Cooperation Agency (exclusive of components expressly established by statute or reorganization plan) are abolished upon the effective date of this title.

(b) REFERENCES IN PART.—Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed as an amendment to or repeal of a provision, the reference shall be deemed to be made to the Foreign Assistance Act of 1961.

SEC. 1402. REFERENCES IN THE FOREIGN ASSISTANCE ACT OF 1961.

References in the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) to—

(1) the ''administrator of the agency primarily responsible for administering part I of this Act'', ''administrator of the agency primarily responsible for administering this part'', and the ''Administrator'' shall be deemed to be references to the Secretary of State; and

(2) the ''agency primarily responsible for administering part I of this Act'', the ''agency primarily responsible for administering this part'', and ''agency'' (except as used in sections 231 and 661 of such Act) shall be deemed to be the Department of State.

SEC. 1403. EXERCISE OF FUNCTIONS BY THE SECRETARY OF STATE.

Section 621(a) (22 U.S.C. 2381(a)) is amended—

(1) in the first sentence, by inserting before the period the following: '', except that functions conferred upon the President in part I of this Act may be exercised by the Secretary of State''; and

(2) in the second and third sentences, by striking ''head of any such agency'' each place it appears and inserting ''Secretary of State and any other head of any such agency''.

SEC. 1404. REPEAL OF POSITIONS; EMPLOYMENT AND CONTRACTING AUTHORITIES.

The following sections are repealed:

(1) Section 624 (a), (b), (c), and (e) (22 U.S.C. 2384 (a), (b), (c), and (e); relating to statutory officers).

(2) Section 626 (a) and (b) (22 U.S.C. 2386 (a) and (b); relating to experts and consultants).

SEC. 1405. DEVELOPMENT LOAN COMMITTEE.

Section 122(e) (22 U.S.C. 2151t(e)) is amended by inserting after the first sentence the following new sentence: ''The Secretary of State shall serve as Chairman of the Committee.''.

SEC. 1406. DEVELOPMENT COORDINATION COMMITTEE.

(a) ANNUAL REPORT.—Section 634(a) (22 U.S.C. 2394(a)) is amended in the text above paragraph (1)(A) by striking ''Chairman of the Development Coordination Committee'' and inserting ''Secretary of State''.

(b) COORDINATION.—Section 640B(a) (22 U.S.C. 2399(a)) is amended by striking ''head of the agency primarily responsible for administering part I, Chairman, and representatives of the Departments of State,'' and inserting ''Secretary of State,''.

SEC. 1407. PUBLIC LAW 83–480 PROGRAM.

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 83–480; 7 U.S.C. 1691 et seq.) is amended—

(1) by striking ''Administrator'' each place it appears and inserting ''Secretary of State''; and

(2) in section 402 (7 U.S.C. 1732)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

SEC. 1408. CONFORMING AMENDMENTS TO TITLE 5, UNITED STATES CODE.

(a) ADMINISTRATOR.—Section 5313 of title 5, United States Code, is amended by striking ''Administrator, Agency for International Development.''.

(b) DEPUTY ADMINISTRATOR.—Section 5314 of title 5, United States Code, is amended by striking ''Deputy Administrator, Agency for International Development.''.

(c) ASSISTANT ADMINISTRATORS.—Section 5315 of title 5, United States Code, is amended by striking ''Assistant Administrators, Agency for International Development (6).''.

(d) REGIONAL ASSISTANT ADMINISTRATORS.—Section 5315 of title 5, United States Code, is amended by striking ''Regional Assistant Administrators, Agency for International Development (4).''.

(e) GENERAL COUNSEL.—Section 5316 of title 5, United States Code, is amended by striking ''General Counsel of the Agency for International Development.''.

SEC. 1409. TRADE PROMOTION COORDINATING COMMITTEE.

Section 2312 of the Export Enhancement Act of 1988 (15 U.S.C. 4727) is amended—

(1) in subsection (d)(1)—

(A) by striking subparagraph (I); and

(B) by redesignating subparagraphs (J) through (M) as subparagraphs (I) through (L), respectively; and

(2) in subsection (f)—

(A) by inserting ''the Committee on Foreign Relations and'' after ''submit to''; and

(B) by striking ''Foreign Affairs'' and inserting ''International Relations''.

SEC. 1410. CHIEF FINANCIAL OFFICER.

Section 901(b)(2) of title 31, United States Code, is amended—

(1) by striking subparagraph (A) (relating to the Agency for International Development); and

(2) by redesignating subparagraphs (B) through (H) as subparagraphs (A) through (G), respectively.

SEC. 1411. REFERENCES IN LAW.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to the Agency for International Development or the International Development Cooperation Agency (insofar as it exercises AID functions) or the Administrator or other official of the Agency for International Development (or the Director or other official of IDCA exercising AID functions) shall be deemed to refer respectively to the Department of State or the Secretary of State or other official of the Department of State.

SEC. 1412. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect only in the event of the abolition of the independent foreign affairs agencies specified in section 1501(e).

TITLE XV—PLANS FOR CONSOLIDATION AND REINVENTION OF FOREIGN AFFAIRS AGENCIES

SEC. 1501. REORGANIZATION OF THE DEPARTMENT OF STATE AND THE INDEPENDENT FOREIGN AFFAIRS AGENCIES.

(a) SUBMISSION OF REORGANIZATION PLANS.—

(1) IN GENERAL.—The President is authorized to transmit to the appropriate congressional committees a reorganization plan or plans providing for the streamlining, consolidation, and merger of the functions of the foreign affairs agencies of the United States in order to carry out the purposes of section 1002.

(2) SPECIFIC OBJECTIVES.—Pursuant to paragraph (1), the President is authorized to transmit a reorganization plan meeting the following objectives:

(A) The elimination in the duplication of functions and personnel between the Department of State and the independent foreign affairs agencies, which may include the abolition of any such agency.

(B) The reduction in the aggregate number of positions in the Department of State and the independent foreign affairs agencies which are classified at each of levels II, III, and IV of the Executive Schedule.

(C) The reorganization and streamlining of the Department of State.

(D) The achievement of $1,700,000,000 in savings over 5 years through the streamlining, consolidation, and merger of the functions of the foreign affairs agencies.

(E) The enhancement of the formulation, coordination, and implementation of policy.

(F) The maintenance, to the maximum extent possible, of a United States diplomatic and consular presence abroad.

(G) The maintenance of programs vital to the national interests of the United States.

(b) PLAN ELEMENTS.—A reorganization plan transmitted under subsection (a)(2), consistent with the provisions of this Act, shall—

(1) identify the functions of the independent foreign affairs agency or agencies that will be transferred to the Department of State or any other agency under the plan, as well as those that may be abolished under the plan;

(2) identify the personnel and positions of the agency or agencies (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department or any other agency, separated from service with the agency or agencies, or be terminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department or any other agency, separated from service with the Department, or terminated under the plan and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations, mergers, and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the independent foreign affairs agency or agencies that will be transferred to the Department or any other agency under this Act as a result of the implementation of the plan;

(6) specify the proposed allocations within the Department of the funds specified for transfer under paragraph (5);

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the independent foreign affairs agency or agencies resulting from the abolition of any such agency and the transfer of the functions of the independent foreign affairs agencies to the Department or to any other agency;

(8) specify a proposed consolidation of administrative functions to serve the Department of State and all independent foreign affairs agencies; and

(9) contain a certification by the Director of the Office of Management and Budget that the Director estimates that the plan will save $1,700,000,000 in budget authority during fiscal years 1996 through 2000 from the initial level appropriated for fiscal year 1995 for the following agencies (including appropriations made to accounts administered by such agencies): the Department of State, the United States Information Agency, the United States Agency for International Development, and the United States Arms Control and Disarmament Agency.

(c) LIMITATIONS.—

(1) LIMITATION ON REDUCTIONS IN PROGRAM LEVELS.—Not more than 30 percent of the savings required under subsection (b)(9) may be realized from reductions in program levels.

(2) LIMITATION ON SAVINGS FROM ADMINISTRATIVE EXPENSES OF THE DEPARTMENT OF STATE.—Not more than 15 percent of the savings required under subsection (b)(9) may come from the administrative expenses of the Department of State.

(3) LIMITATIONS ON CONTENTS OF PLAN.—Sections 1606 and 1607 of this Act shall apply to a plan transmitted under subsection (a).

(d) EFFECTIVE DATE OF PLAN.—(1) A plan transmitted under subsection (a) shall become effective on a date which is 90 calendar days of continuous session of Congress after the date on which the plan is transmitted to Congress, unless the Congress enacts a joint resolution, in accordance with section 1608, disapproving the plan.

(2) Any provision of a plan submitted under subsection (a) may take effect later than the date on which the plan becomes effective.

(e) ABOLITION OF SPECIFIED INDEPENDENT FOREIGN AFFAIRS AGENCIES.—If the President does not transmit to Congress within six months after the date of enactment of this Act a reorganization plan meeting the objectives of subsection (a)(2), then the United States Arms Control and Disarmament Agency, the United States Information Agency, the Agency for International Development, and the International Development Cooperation Agency (exclusive of components expressly established by statute or reorganization plan) shall be abolished six months after the expiration of the period for submission of the plan, and the functions of such agencies shall be transferred in accordance with section 1601.

(f) DEFINITIONS.—As used in this section—

(1) the term ''foreign affairs agencies'' means the Department of State and the independent foreign affairs agencies; and

(2) the term ''independent foreign affairs agencies'' means such Federal agencies (other than the Department of State) that solely perform functions that are funded under major budget category 150 and includes the United States Arms Control and Disarmament Agency, the United States Information Agency, the Agency for International Development, and the International Development Cooperation Agency.

TITLE XVI—TRANSITION PROVISIONS

SEC. 1601. TRANSFER OF FUNCTIONS.

(a) DEPARTMENT OF STATE.—Except as otherwise provided in this Act, there are transferred to, and vested in, the Secretary of State on the effective dates specified under this section all functions vested by law (including by reorganization plan approved before the date of the enactment of this Act pursuant to chapter 9 of title 5, United States Code) in, or exercised by, the head of each of the following agencies, the agencies themselves, or officers, employees, or components thereof, immediately prior to such date:

(1) The United States Arms Control and Disarmament Agency, on the effective date of title XII.

(2) The United States Information Agency, on the effective date of title XIII.

(3) The Agency for International Development and the International Development Cooperation Agency (exclusive of components expressly established by statute or reorganization plan), on the effective date of title XIV.

(b) BROADCASTING BOARD OF GOVERNORS.—There are transferred to, and vested in, the Broadcasting Board of Governors of the Department of State under title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (as amended by section 1306 of this Act) on the effective date of title XIII all functions vested by law in, or exercised by, the Broadcasting Board of Governors of the United States Information Agency as of the day before that date.

(c) OFFICE OF CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF STATE.—There are transferred to the Chief Financial Officer of the Department of State on the effective date of title XIV all functions that were vested by law in, or exercised by, the Chief Financial Officer of the Agency for International Development immediately prior to such date.

(d) OFFICE OF INSPECTOR GENERAL FOR FOREIGN AFFAIRS OF THE DEPARTMENT OF STATE.—There are transferred to the Inspector General for Foreign Affairs of the Department of State, as established in section 209 of the Foreign Service Act of 1980 (as amended by this Act) on the effective dates specified under this subsection the following functions:

(1) On the effective date of title XIII: All functions that were vested by law in, or exercised by, the Inspector General of the United States Information Agency immediately prior to such date.

(2) On the effective date of title XIV: All functions that were vested by law in, or exercised by, the Inspector General of the Agency for International Development immediately prior to such date.

(e) STATUTORY CONSTRUCTION.—Nothing in this section precludes a transfer of functions on a date prior to an effective date specified under this section if the transfer is made in accordance with the schedule of transfers set forth in a reorganization plan approved under this title.

SEC. 1602. DETERMINATION OF TRANSFERRED FUNCTIONS AND EMPLOYEES.

(a) IN GENERAL.—Except as provided in subsection (b), the Secretary of State shall, with the cooperation of the head of the transferor agency, identify the functions or employees, or both, of the agency that are to be transferred to the Department of State pursuant to section 1601. Any disagreements between the head of such an agency and the Secretary with respect to such an identification shall be resolved by the Director of the Office of Management and Budget.

(b) AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Secretary of State shall determine the functions of the Agency for International

Development, and the number of employees of such Agency necessary to perform or support such functions, which are to be transferred from the Agency for International Development to the Department of State pursuant to section 1601.

SEC. 1603. REORGANIZATION PLAN FOR THE UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY.

(a) SUBMISSION OF PLAN.—In the event of the abolition of the independent foreign affairs agencies specified in section 1501(e), not later than 90 days before their abolition, the President, in consultation with the Secretary of State, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the United States Arms Control and Disarmament Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Arms Control and Disarmament Agency as the President determines necessary to carry out the primary functions of the Agency, consistent with this title and title XII; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Arms Control and Disarmament Agency that will be transferred to the Department under the plan, as well as those that will be abolished under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be terminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or terminated under the plan and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Arms Control and Disarmament Agency that will be transferred to the Department under this title as a result of the abolition of the Agency;

(6) specify the proposed allocations within the Department of unexpended funds of the Agency that will be transferred to the Department under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency that will result from the abolition of the Agency and the transfer of the functions of the Agency to the Department under the plan.

(c) EFFECTIVE DATE OF PLAN.—The plan transmitted under subsection (a) shall become effective on the date which is 90 calendar days of continuous session of Congress after the date on which the plan is transmitted to Congress, unless the Congress enacts a joint resolution, in accordance with section 1608, disapproving the plan.

(d) REDUCTION OF EMPLOYEES.—(1) In implementation of any plan submitted under subsection (a), the Director of the United States Arms Control and Disarmament Agency shall take such actions as necessary, including actions under section 611 of the Foreign Service Act of 1980 (22 U.S.C. 4010a), in the case of members of the Foreign Service, or under regulations prescribed under section 3502 of title 5, United States Code, and procedures established under section 3595, of title 5, United States Code, in the case of Federal employees who are not members of the Foreign Service, to reduce by eight percent the number of employees employed by the Agency on the date of the enactment of this Act. The Director shall achieve the reduction not later than the effective date of the plan submitted under subsection (a).

(2) For purposes of this subsection, the transfer of any employee of the Agency to the Department of State, or to any other department or agency of the United States, shall be excluded from the computation of the percentage reduction in personnel under this subsection.

(e) REDUCTION IN FUNDS FOR SALARIES AND EXPENSES FOR FAILURE TO IMPLEMENT PLAN.—If the Secretary of State and the Director of the United States Arms Control and Disarmament Agency do not complete the implementation of the reorganization plan of the Agency under this section in accordance with the schedule in the plan as approved under section 1608, the amount of funds that the Secretary and the Director may obligate for salaries and expenses of the Department of State and the Agency, respectively, in the fiscal year in which the implementation of the plan is otherwise scheduled to be completed under the plan shall be reduced by an amount equal to 20 percent of the amount otherwise appropriated to the Department and the Agency, respectively, in that fiscal year for salaries and expenses.

SEC. 1604. REORGANIZATION PLAN FOR THE UNITED STATES INFORMATION AGENCY.

(a) SUBMISSION OF PLAN.—In the event of the abolition of the independent foreign affairs agencies specified in section 1501(e), not later than 90 days before their abolition, the President, in consultation with the Secretary of State, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the United States Information Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the United States Information Agency as the President determines necessary to carry out the primary functions of the Agency, consistent with this title and title XIII and subject to paragraph (3);

(3) the transfer to the corresponding components of the Department of State of such functions and personnel of the components of the Agency described in sections 1601(b) and 1601(d)(1) as the President determines necessary to carry out the primary functions of those components; and

(4) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the United States Information Agency that will be transferred to the Department under the plan, as well as those that will be abolished under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be terminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or terminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the United States Information Agency that will be transferred to the Department under this title as a result of the abolition of the Agency;

(6) specify the proposed allocations within the Department of unexpended funds of the Agency that will be transferred to the Department under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency that will result from the abolition of the Agency and the transfer of the functions of the Agency to the Department under the plan.

(c) EFFECTIVE DATE OF PLAN.—The plan transmitted under subsection (a) shall become effective on the date which is 90 calendar days of continuous session of Congress after the date on which the plan is transmitted to Congress, unless the Congress enacts a joint resolution, in accordance with section 1608, disapproving the plan.

(d) REDUCTION OF EMPLOYEES.—(1) Subject to paragraph (2), in implementation of any plan submitted under subsection (a), the Director of the United States Information Agency shall take such actions as necessary, including actions under section 611 of the Foreign Service Act of 1980 (22 U.S.C. 4010a), in the case of members of the Foreign Service, or under regulations prescribed under section 3502 of title 5, United States Code, and procedures established under section 3595, of title 5, United States Code, in the case of Federal employees who are not members of the Foreign Service, to reduce by 25 percent the number of employees employed by the Agency on the date of the enactment of this Act. The Director shall achieve the reduction not later than the effective date of the plan submitted under subsection (a).

(2) For purposes of this subsection, the transfer of any employee of the Agency to the Department of State, or to any other department or agency of the United States, shall be excluded from the computation of the percentage reduction in personnel under this subsection.

(3) In reducing the number of employees employed by the Agency under this subsection, the Director shall ensure that the number of members of the Foreign Service employed by the Agency does not exceed the number of such members authorized to be employed by the Agency under section 141.

(e) REDUCTION IN FUNDS FOR SALARIES AND EXPENSES FOR FAILURE TO IMPLEMENT PLAN.—If the Secretary of State and the Director of the United States Information Agency do not complete the implementation of the reorganization plan of the Agency under this section in accordance with the schedule in the plan as approved under section 1608, the amount of funds that the Secretary and the Director may obligate for salaries and expenses of the Department of State and the Agency, respectively, in the fiscal year in which the implementation of the plan is otherwise scheduled to be completed under the plan shall be reduced by an amount equal to 20 percent of the amount otherwise appropriated to the Department and the Agency, respectively, in that fiscal year for salaries and expenses.

SEC. 1605. REORGANIZATION PLAN FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) SUBMISSION OF PLAN.—In the event of the abolition of the independent foreign affairs agencies specified in section 1501(e), not later than 90 days before their abolition, the President, in consultation with the Secretary of State, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Agency for International Development in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Agency for International Development as the President determines necessary to carry out the primary

functions of the Agency, consistent with this title and title XIV;

(3) the transfer to the corresponding components of the Department of State of such functions and personnel of the components of the Agency described in sections 1601(c) and 1601(d)(2) as the President determines necessary to carry out the primary functions of those components; and

(4) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Agency for International Development that will be transferred to the Department under the plan, as well as those that will be abolished under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be terminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or terminated under the plan and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Agency for International Development that will be transferred to the Department under this title as a result of the abolition of the Agency;

(6) specify the proposed allocations within the Department of unexpended funds of the Agency that will be transferred to the Department under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency that will result from the abolition of the Agency and the transfer of the functions of the Agency to the Department under the plan.

(c) EFFECTIVE DATE OF PLAN.—The plan transmitted under subsection (a) shall become effective on the date which is 90 calendar days of continuous session of Congress after the date on which the plan is transmitted to Congress, unless the Congress enacts a joint resolution, in accordance with section 1608, disapproving the plan.

(d) REDUCTION OF EMPLOYEES.—(1) Subject to paragraph (2), in implementation of any plan submitted under subsection (a), the Administrator of the Agency for International Development shall take such actions as necessary, including actions under section 611 of the Foreign Service Act of 1980 (22 U.S.C. 4010a), in the case of members of the Foreign Service, or under regulations prescribed under section 3502 of title 5, United States Code, and procedures established under section 3595, of title 5, United States Code, in the case of Federal employees who are not members of the Foreign Service, to reduce by 50 percent the number of employees employed by the Agency on the date of the enactment of this Act. The Administrator shall achieve the reduction not later than the effective date of the plan submitted under subsection (a).

(2) For purposes of this subsection, the transfer of any employee of the Agency to the Department of State, or any other department or agency of the United States, shall be excluded from the computation of the percentage reduction in personnel under this subsection.

(3) In reducing the number of employees employed by the Agency under this subsection, the Administrator shall ensure that the number of members of the Foreign Service employed by the Agency does not exceed the number of such members authorized to be employed by the Agency under section 141.

(e) REDUCTION IN FUNDS FOR SALARIES AND EXPENSES FOR FAILURE TO IMPLEMENT PLAN.—If the Secretary of State and the Administrator of the Agency for International Development do not complete the implementation of the reorganization plan of the Agency under this section in accordance with the schedule in the plan as approved under section 1608, the amount of funds that the Secretary and the Administrator may obligate for salaries and expenses of the Department of State and the Agency, respectively, in the fiscal year in which the implementation of the plan is otherwise scheduled to be completed under the plan shall be reduced by an amount equal to 20 percent of the amount otherwise appropriated to the Department and the Agency, respectively, in that fiscal year for salaries and expenses.

SEC. 1606. ADDITIONAL REQUIREMENTS AND LIMITATIONS ON REORGANIZATION PLANS.

(a) LIMITATION ON POWERS.—A reorganization plan under section 1501, 1603, 1604, or 1605 may not have the effect of—

(1) creating a new executive department;

(2) continuing a function beyond the period authorized by law for its exercise or beyond the time when it would have terminated if the reorganization had not been made;

(3) authorizing an agency to exercise a function which is not authorized by law at the time the plan is transmitted to Congress;

(4) creating a new agency which is not a component or part of an existing executive department or independent agency;

(5) increasing the term of an office beyond that provided by law for the office; or

(6) terminating any function authorized by law.

(b) EFFECT ON OTHER LAWS, PENDING LEGAL PROCEEDINGS, AND UNEXPENDED APPROPRIATIONS.—(1) A statute enacted, and a regulation or other action made, prescribed, issued, granted, or performed in respect of or by the agency or function affected by a reorganization under this title, before the effective date of the reorganization, has, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, the same effect as if the reorganization had not been made. However, if the statute, regulation, or other action has vested the functions in a transferor agency, the function, insofar as it is to be exercised after the plan becomes effective, shall be deemed as vested in the transferee agency concerned.

(2) For the purpose of paragraph (1), the term ''regulation or other action'' means a regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

(c) NOTICE OF IMPLEMENTATION OF PLANS.—The President shall cause to be published in the Federal Register for each reorganization plan submitted under section 1501, 1603, 1604, or 1605 a notice of the date by which all functions of the transferor agency are to be transferred or terminated under the plan.

(d) TRANSMITTAL OF REORGANIZATION PLANS.—Section 903(b) of title 5, United States Code, shall apply to each reorganization plan submitted under section 1501, 1603, 1604, or 1605.

SEC. 1607. AMENDMENTS OR MODIFICATIONS TO REORGANIZATION PLANS.

Any time during the period of 30 calendar days after the date on which a reorganization plan is transmitted to Congress under section 1501, 1603, 1604, or 1605, or after the date on which the President transmits to Congress any other plan having the effect of revising such a plan, but before any resolution described in section 1608 has been ordered reported in (or deemed to be discharged from) either House of Congress, the President may make amendments or modifications to the plan, consistent with section 1501, 1603, 1604, or 1605, as the case may be, which modifications or revisions shall thereafter be treated as a part of the reorganization plan originally transmitted and shall not affect in any way the time limits otherwise provided for in section 1608. The President may withdraw the plan at any time prior to the conclusion of 45 calendar days beginning on the date on which the plan is submitted to Congress, except that the President may only withdraw a plan if a revised plan is immediately substituted for that plan.

SEC. 1608. PROCEDURES FOR CONGRESSIONAL CONSIDERATION OF REORGANIZATION PLANS.

(a) PROCEDURES.—(1) A joint resolution described in subsection (b) which is introduced in a House of Congress in accordance with subsection (c) shall be considered in Congress in accordance with the procedures set forth in this section.

(2) For purposes of this title and title XV—

(A) continuity of session of Congress is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(b) TERMS OF RESOLUTION.—For the purpose of subsection (a), the term ''resolution'' means only a joint resolution of the Congress, the matter after the resolving clause of which is as follows: ''That the Congress disapproves the reorganization plan numbered ___ transmitted to the Congress by the President on _____, 19___, pursuant to section ___ of the Foreign Affairs Reinvention Act of 1995.'', and includes such modifications and revisions as are submitted by the President under section 1607. The blank spaces therein are to be filled appropriately. The term does not include a resolution which specifies more than one reorganization plan.

(c) INTRODUCTION AND REFERENCE OF RESOLUTION.—(1) A joint resolution described in subsection (b) is only entitled to expedited procedures set forth in this section if the resolution is introduced in a House of Congress by a Member of that House within 10 calendar days of continuous session of Congress of the transmittal of a reorganization plan under section 1501, 1603, 1604, or 1605.

(2) Any resolution with respect to a reorganization plan shall be referred to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be. The committee shall make its recommendations to the House of Representatives or the Senate, as the case may be, within 30 calendar days following the date of such resolution's introduction.

(d) MOTION TO DISCHARGE COMMITTEE CONSIDERING RESOLUTION.—(1) If the committee to which is referred a resolution introduced pursuant to paragraph (1) of subsection (c) has not reported such resolution at the end of 30 calendar days of continuous session of Congress after its introduction, it shall be in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same plan which has been referred to the committee, except that no motion to discharge shall be in order after the committee has reported a resolution with respect to the same plan.

(2) A motion to discharge under paragraph (1) may be made only by a Senator favoring the resolution, is privileged, and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution, the time to be divided equally

between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(e) PROCEDURE AFTER REPORT OR DISCHARGE OF COMMITTEE; DEBATE; VOTE ON FINAL PASSAGE.—(1) When the committee has reported, or has been discharged (under subsection (d)) from further consideration of, a resolution with respect to a reorganization plan, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is passed or rejected shall not be in order.

(3) Immediately following the conclusion of the debate on the resolution with respect to a reorganization plan, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

(5) If, prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same reorganization plan from the other House, then—

(A) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(B) the vote on final passage shall be on the resolution of the other House.

(f) RULES OF SENATE AND HOUSE OF REPRESENTATIVES ON REORGANIZATION PLANS.—Subsections (b), (c), (d), and (e) of this section are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions with respect to any reorganization plans transmitted to Congress in accordance with section 1501, 1603, 1604, or 1605, or any other plan transmitted by the President to Congress having the effect of revising such a plan, and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

SEC. 1609. TRANSITION FUND.

(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the ''Foreign Affairs Reorganization Transition Fund''.

(b) PURPOSE.—The purpose of the account is to provide funds for the orderly transfer of functions and personnel to the Department of State as a result of the implementation of this title and for payment of other costs associated with the consolidation of foreign affairs agencies under this title.

(c) DEPOSITS.—(1) Subject to paragraphs (2) and (3), there shall be deposited into the account the following:

(A) Funds appropriated to the account pursuant to the authorization of appropriations in subsection (j).

(B) Funds transferred to the account by the Secretary of State from funds that are transferred to the Secretary by the head of an agency under subsection (d).

(C) Funds transferred to the account by the Secretary from funds that are transferred to the Department of State together with the transfer of functions to the Department under this title and that are not required by the Secretary in order to carry out the functions.

(D) Funds transferred to the account by the Secretary from any unobligated funds that are appropriated or otherwise made available to the Department.

(2) The Secretary may transfer funds to the account under subparagraph (C) of paragraph (1) only if the Secretary determines that the amount of funds deposited in the account pursuant to subparagraphs (A) and (B) of that paragraph is inadequate to pay the costs of carrying out this title.

(3) The Secretary may transfer funds to the account under subparagraph (D) of paragraph (1) only if the Secretary determines that the amount of funds deposited in the account pursuant to subparagraphs (A), (B), and (C) of that paragraph is inadequate to pay the costs of carrying out this title.

(d) TRANSFER OF FUNDS TO SECRETARY OF STATE.—The head of a transferor agency shall transfer to the Secretary the amount, if any, of the unobligated funds appropriated or otherwise made available to the agency for functions of the agency that are abolished under this title which funds are not required to carry out the functions of the agency as a result of the abolishment of the functions under this title.

(e) USE OF FUNDS.—(1)(A) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary shall use sums in the account for payment of the costs of carrying out this title, including costs relating to the consolidation of functions of the Department of State and the termination of employees of the Department.

(B) The Secretary may transfer sums in the account to the head of an agency to be abolished under this division for payment by the head of the agency of the cost of carrying out a voluntary separation incentive program at the agency under section 1610.

(2)(A) Except as provided in subparagraph (B), the Secretary may not use sums in the account for payment of the costs described in paragraph (1) unless the appropriate congressional committees are notified 15 days in advance of such use in accordance with procedures applicable to reprogramming notifications under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2706).

(B) Subparagraph (A) does not apply to the following uses of sums in the account:

(i) For payment of the cost of carrying out a voluntary separation incentive program at the Department under section 1610, but only if the total cost of the program with respect to the Department is less than $10,000,000.

(ii) For transfer to the head of an agency to be abolished under this division for payment of the cost of carrying out a voluntary separation incentive program at the agency under section 1610, but only if the total amount transferred with respect to the agency is less than $30,000,000.

(iii) For payment of the cost of any severance payments required to be paid by the Secretary to employees of the Department, but only if the cost of such payments is less than $10,000,000.

(iv) For transfer to the head of an agency to be abolished under this division for payment of the cost of any severance payments required to be paid to employees of the agency, but only if the total amount transferred with respect to the agency is less than $40,000,000.

(v) For payment of the cost of any improvements of the information management systems of the Department that are carried out as a result of the abolishment of agencies under this division, but only if the cost of such improvements is less than $15,000,000.

(vi) For payment of the cost of the physical relocation of fixtures, materials, and other resources from an agency to be abolished under this division to the Department or of such relocation within the Department, but only if the cost of such relocation is less than $10,000,000.

(3) Funds in the account shall be available for the payment of costs under paragraph (1) without fiscal year limitation.

(4) Funds in the account may be used only for purposes of paying the costs of carrying out this title.

(f) TREATMENT OF UNOBLIGATED BALANCES.—(1) Subject to paragraph (2), unobligated funds, if any, which remain in the account after the payment of the costs described in subsection (e)(1) shall be transferred to the Department of State and shall be available to the Secretary of State for purposes of carrying out the functions of the Department.

(2) The Secretary may not transfer funds in the account to the Department under paragraph (1) unless the appropriate congressional committees are notified in advance of such transfer in accordance with the procedures applicable to reprogramming notifications under section 34 of the State Department Basic Authorities Act of 1956.

(g) REPORT ON ACCOUNT.—Not later than October 1, 1998, the Secretary of State shall transmit to the appropriate congressional committees a report containing an accounting of—

(1) the expenditures from the account established under this section; and

(2) in the event of any transfer of funds to the Department of State under subsection (f), the functions for which the funds so transferred were expended.

(h) TERMINATION OF AUTHORITY TO USE ACCOUNT.—The Secretary may not obligate funds in the account after September 30, 1999.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the fiscal year 1996 $125,000,000 and for the fiscal year 1997 $100,000,000, for deposit under subsection (c)(1)(A) into the account established under subsection (a).

SEC. 1610. VOLUNTARY SEPARATION INCENTIVES.

(a) AUTHORITY TO PAY INCENTIVES.—The head of an agency referred to in subsection (b) may pay voluntary incentive payments to employees of the agency in order to avoid or minimize the need for involuntary separations from the agency as a result of the abolition of the agency and the consolidation of functions of the Department of State under this title.

(b) COVERED AGENCIES.—Subsection (a) applies to the following agencies:

(1) The Department of State.

(2) The United States Arms Control and Disarmament Agency.

(3) The United States Information Agency.

(4) The Agency for International Development.

(c) PAYMENT REQUIREMENTS.—(1) The head of an agency shall pay voluntary separation incentive payments in accordance with the provisions of section 3 of the Federal Workforce Restructuring Act of 1994 (Public Law 103–226; 108 Stat. 111), except that an employee of the agency shall be deemed to be eligible for payment of a voluntary separation incentive payment under that section if the employee separates from service with the agency during the period beginning

on the date of enactment of this Act and ending on September 30, 1996.

(2) The provisions of subsection (d) of such section 3 shall apply to any employee who is paid a voluntary separation incentive payment under this section.

(d) FUNDING.—The payment of voluntary separation incentive payments under this section shall be made from funds in the Foreign Affairs Reorganization Transition Fund established under section 1609. The Secretary of State may transfer sums in that fund to the head of an agency under subsection (e)(1)(B) of that section for payment of such payments by the agency head.

(e) TERMINATION OF AUTHORITY.—The authority of the head of an agency to authorize payment of voluntary separation incentive payments under this section shall expire on September 30, 1996.

(f) BUDGET ACT COMPLIANCE.—Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this section shall be effective for any fiscal year only to the extent or in such amounts as are provided in advance in appropriations Acts.

(g) ADDITIONAL REQUIREMENTS FOR BUDGET PURPOSES.—(1) In addition to any other payments which an agency referred to in subsection (b) is required to make under section 4(a)(1) of the Federal Workforce Restructuring Act of 1994 (Public Law 103–226; 108 Stat. 114; 5 U.S.C. 8331 note), each such agency shall remit to the Office of Personnel Management for deposit in the Treasury to the credit of the Civil Service Retirement and Disability Fund an amount equal to 9 percent of final basic pay of each employee of the agency—

(A) who, on or after the date of the enactment of this Act, retires under section 8336(d)(2) of title 5, United States Code; and

(B) to whom a voluntary separation incentive payment is paid under this section by such agency based on that retirement.

(2) In addition to any other payments which an agency referred to in subsection (b) is required to make under section 4(b)(1) of such Act in fiscal years 1996, 1997, and 1998, each such agency shall remit to the Office of Personnel Management for deposit in the Treasury to the credit of the Civil Service Retirement and Disability Fund an amount equal to 0.5 percent of the basic pay of each employee of the agency who, as of March 31 of such fiscal year, is subject to subchapter III of chapter 83 or chapter 84 of title 5, United States Code.

(3) Notwithstanding any other provision of this section, the head of an agency referred to in subsection (b) may not pay voluntary separation incentive payments under this section unless sufficient funds are available in the Foreign Affairs Reorganization Transition Fund to cover the cost of such payments and the amount of the remittances required of the agency under paragraphs (1) and (2).

SEC. 1611. RIGHTS OF EMPLOYEES OF ABOLISHED AGENCIES.

(a) IN GENERAL.—Except as otherwise provided by this title, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer of such employee under this title.

(b) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this title, any person who, on the day preceding the date of the abolition of a transferor agency under this title, held a position in such an agency that was compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in a transferee agency to a position having duties comparable to the duties performed immediately preceding such appointment, shall continue to be compensated in such new position at not less than the rate provided for such previous position for the duration of the service of such person in such new position.

(c) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred or abolished under this title, shall terminate on the date of the transferal or abolition, as the case may be, of the functions under this title.

(d) EXCEPTED SERVICE.—(1) Subject to paragraph (2), in the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred.

(2) The Department of State may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policy-making, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(e) SENIOR EXECUTIVE SERVICE.—A transferring employee in the Senior Executive Service shall be placed in a comparable position at the Department of State.

(f) EMPLOYEE BENEFIT PROGRAMS.—(1) Any employee accepting employment with the Department of State as a result of a transfer under this title may retain membership for 1 year after the date such transfer occurs in any employee benefit program of the transferor agency, including insurance, to which such employee belongs on the date of the enactment of this Act if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Secretary of State.

(2) The difference in the costs between the benefits which would have been provided by such agency or entity and those provided under this subsection shall be paid by the Secretary of State.

(3) If an employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Secretary of State, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

(g) ASSIGNMENTS.—(1) Transferring employees shall receive notice of their position assignments not later than the date on which the reorganization plan setting forth the transferal of such employees is transmitted to the appropriate congressional committees under this title.

(2) Foreign Service personnel transferred to the Department of State pursuant to this title shall be eligible for any assignment open to Foreign Service personnel within the Department.

SEC. 1612. TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.

(a) IN GENERAL.—Except as otherwise provided in this title, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred under this title, subject to section 1531 of title 31, United States Code, shall be transferred to the transferee agency concerned.

(b) TREATMENT OF PERSONNEL EMPLOYED IN TERMINATED FUNCTIONS.—The following shall apply with respect to officers and employees of a transferor agency that are not transferred under this title:

(1) Under such regulations as the Office of Personnel Management may prescribe, the head of any agency in the executive branch may appoint in the competitive service any person who is certified by the head of the transferor agency as having served satisfactorily in the transferor agency and who passes such examination as the Office of Personnel Management may prescribe. Any person so appointed shall, upon completion of the prescribed probationary period, acquire a competitive status.

(2) The head of any agency in the executive branch having an established merit system in the excepted service may appoint in such service any person who is certified by the head of the transferor agency as having served satisfactorily in the transferor agency and who passes such examination as the head of such agency in the executive branch may prescribe.

(3) Any appointment under this subsection shall be made within a period of one year after completion of the appointee's service in the transferor agency.

(4) Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service or in the excepted service concerned shall also disqualify an applicant for appointment under this subsection.

(c) AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.—When an agency is abolished under this division, the limitations for fiscal years 1996 and 1997 under section 141 of this Act on the members of the Foreign Service authorized to be employed by such agency shall be added to the limitations under such section which apply to the Department of State.

SEC. 1613. PERSONNEL AUTHORITIES FOR TRANSFERRED FUNCTIONS.

(a) APPOINTMENTS.—(1) Subject to paragraph (2), the head of a transferee agency may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the respective functions transferred to the agency under this title. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(2) A person employed under paragraph (1) may not continue in such employment after the end of the period (as determined by the Secretary of State) required for the transferal of functions under this title.

(b) EXPERTS AND CONSULTANTS.—The head of a transferee agency may obtain the services of experts and consultants in connection with functions transferred to the agency under this title in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including traveltime) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The head of the transferee agency may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

SEC. 1614. PROPERTY AND FACILITIES.

(a) IN GENERAL.—The Secretary of State shall review the property and facilities of each transferor agency for purposes of determining if the property is required by the Department of State in order to carry out the functions of the Department after the transfer of functions to the Department under this title.

(b) DEADLINE FOR TRANSFER.—Not later than March 1, 1997, all property and facilities within the custody of the transferor agency shall be transferred to the custody of the Secretary of State.

SEC. 1615. DELEGATION AND ASSIGNMENT.

Except where otherwise expressly prohibited by law or otherwise provided by this Act, the head of a transferee agency may delegate any of the functions transferred to the head of the transferee agency under section 1601 and any function transferred or granted to such head of the transferee agency after the appropriate effective date specified in section 1601 to such officers and employees of the transferee agency as the head of the transferee agency may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the head of the transferee agency under this section or under any other provision of this title shall relieve such head of the transferee agency of responsibility for the administration of such functions.

SEC. 1616. RULES.

The head of a transferee agency may prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the head of the transferee agency determines necessary or appropriate to administer and manage the functions of the transferee agency after the transfer of functions to the agency under this title.

SEC. 1617. INCIDENTAL TRANSFERS.

The Director of the Office of Management and Budget may, at such time or times as the Director shall provide, make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with functions abolished or transferred under this title, as may be necessary to carry out the provisions of this title. The Director shall provide for the termination of the affairs of all entities terminated by this title and for such further measures and dispositions as may be necessary to effectuate the purposes of this title.

SEC. 1618. EFFECT ON CONTRACTS AND GRANTS.

(a) PROHIBITION ON NEW OR EXTENDED CONTRACTS OR GRANTS.—Except as provided in subsection (b), the United States Arms Control and Disarmament Agency, the United States Information Agency, and the Agency for International Development may not—

(1) enter into a contract or agreement which will continue in force after the date of abolition of such agency under this division;

(2) extend the term of an existing contract or agreement of such agency to a date after such date; or

(3) make a grant which will continue in force after such date.

(b) EXCEPTION.—Subsection (a) does not apply to the following:

(1) Contracts and agreements for carrying out essential administrative functions.

(2) Contracts and agreements for functions and activities that the Secretary of State determines will be carried out by the Department of State after the termination of the agency concerned under this title.

(3) Grants relating to the functions and activities referred to in paragraph (2).

(c) EVALUATION AND TERMINATION OF EXISTING CONTRACTS.—The Secretary of State and the head of each agency referred to in subsection (a) shall—

(1) review the contracts of such agency that will continue in force after the date of the abolition of the agency under this division in order to determine if the cost of abrogating such contracts before that date would exceed the cost of carrying out the contract according to its terms; and

(2) in the case of each contract so determined, provide for the termination of the contract in the most cost-effective manner practicable.

SEC. 1619. SAVINGS PROVISIONS.

(a) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this title, and

(2) which are in effect at the time of the appropriate effective date specified in section 1601, or were final before such effective date and are to become effective on or after such effective date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the head of the transferee agency concerned or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS NOT AFFECTED.—The provisions of this title shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before a transferor agency at the time this title takes effect for the agency, with respect to functions transferred under this title but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this title had not been enacted.

(c) SUITS NOT AFFECTED.—The provisions of this title shall not affect suits commenced before the appropriate effective date specified in section 1601, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against a transferor agency, or by or against any individual in the official capacity of such individual as an officer of the transferor agency, shall abate by reason of the enactment of this title.

(e) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by a transferor agency relating to a function transferred under this title may be continued by the transferee agency with the same effect as if this title had not been enacted.

SEC. 1620. SEPARABILITY.

If a provision of this title or its application to any person or circumstance is held invalid, neither the remainder of this title nor the application of the provision to other persons or circumstances shall be affected.

SEC. 1621. OTHER TRANSITION AUTHORITIES.

The head of a transferee agency may utilize—

(1) the services of such officers, employees, and other personnel of the transferor agency with respect to functions transferred to the transferee agency under this title; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this title.

SEC. 1622. ADDITIONAL CONFORMING AMENDMENTS.

The President may submit a report to the appropriate congressional committees containing such recommendations for such additional technical and conforming amendments to the laws of the United States as may be appropriate to reflect the changes made by this division.

SEC. 1623. FINAL REPORT.

Not later than October 1, 1998, the President shall provide by written report to the Congress a final accounting of the finances and operations of the United States Arms Control and Disarmament Agency, the United States Information Agency, and the Agency for International Development, and a projection of the personnel end-strengths of the Foreign Service and the Senior Foreign Service as of September 30, 1999.

SEC. 1624. DEFINITIONS.

For purposes of this title, unless otherwise provided or indicated by the context—

(1) the term ''appropriate congressional committees'' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives;

(2) the term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code;

(3) the term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program;

(4) the term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof;

(5) the term ''transferee agency'' means—

(A) the Department of State, with respect to functions transferred under section 1601(a);

(B) the Broadcasting Board of Governors of the Department of State, with respect to functions transferred under section 1601(b);

(C) the Chief Financial Officer of the Department of State, with respect to functions transferred under section 1601(c); and

(D) the Inspector General for Foreign Affairs of the Department of State, with respect to functions transferred under section 1601(d); and

(6) the term ''transferor agency'' refers to each of the following agencies:

(A) The United States Arms Control and Disarmament Agency, with respect to the functions transferred under section 1601(a)(1).

(B) The United States Information Agency (exclusive of the Broadcasting Board of Governors), with respect to the functions transferred under section 1601(a)(2).

(C) The Agency for International Development, a component of the International Development Cooperation Agency, with respect to the functions transferred under section 1601(a)(3).

(D) The International Development Cooperation Agency (exclusive of components expressly established by statute or reorganization plan), with respect to the functions transferred under section 1601(a)(3).

(E) The Broadcasting Board of Governors, with respect to the functions transferred under section 1601(b).

(F) The Officer of the Chief Financial Officer, Agency for International Development, with respect to the functions transferred under section 1601(c).

(G) The Office of Inspector General, United States Information Agency, with respect to the functions transferred under section 1601(d)(1).

(H) The Office of Inspector General, Agency for International Development, with respect to the functions transferred under section 1601(d)(2).

ORDERS FOR SATURDAY, DECEMBER 16, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. on Saturday, December 16, that following the prayer, the Journal of proceedings be deemed approved to date, no

resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, there then be a period for morning business until the hour of 12 noon, with Senators to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Let me indicate for the information of all Senators, as I said before, we will probably discuss the Labor-HHS bill, the motion to proceed. Maybe we will work that out. We will also maybe resume consideration of the DOD authorization conference report or any other available conference reports, and as I have stated, I do not believe there will be any rollcall votes. If there are, we will try to give everybody ample notice or arrange to have a vote at a later date or work out a voice vote of some kind.

ORDER FOR ADJOURNMENT

Mr. DOLE. So, if there is no further business to come before the Senate, I ask that, after the Senator from California, Senator BOXER, speaks, that the Senate stand in adjournment under the previous order—unless there is any other Senator wishing to speak? OK.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

GOVERNMENT SHUTDOWN

Mrs. BOXER. I thank the majority leader. It has been a very difficult day. It is very late. I will not go on at length.

I just feel we are fortunate here, as Members of the U.S. Senate, even though we are working very long and hard, and it is very stressful, at least we know we are going to get our paycheck. But, unfortunately there are those very hard-working families tonight who really do not know if they will get their paychecks. About 350,000 families are adversely impacted because tonight the Congress was not able to pass a continuing resolution to send a signal to the entire country that we can keep this Government operating.

I do not want it to be lost, as we end here this evening. I do not want the people out there to think that they are forgotten. I also do not want people to think that who are veterans who will not get their services, perhaps, as readily as they should come Monday, or people who need passports, or people who want to go to our parks. We certainly know tomorrow they will be inconvenienced for no good reason.

It may well be that Democrats and Republicans cannot come together on a long-term, 7-year balanced budget. It may be that we will never be able to do that. I, for one, hope that we can and think that we can. I, for one, believe there are a few key areas where we could come together and get that balanced budget.

But surely we could come together to keep this Government operational for another week? I do not know what is happening here, but it seems to me, with all the anger I have seen on the Senate floor, we ought to put that aside for 10 minutes and pass a clean continuing resolution as our Democratic leader recommended. Yes, we have those outstanding debates. Yes, we will have to discuss them and resolve them. But we can keep this Government going instead of acting like little children who do not get their way and marching outside of the room and objecting when there is a very simple, straightforward suggestion that we can keep things going until—even Monday or Tuesday.

But, no, we are not going to do that. So, constituents of mine and others across this country who work for the Federal Government, like Ken Takada, a veterans claim examiner in Los Angeles are very concerned. He is not independently wealthy. He lives from paycheck to paycheck like most of us in America do. He could default on his student loans if he misses a paycheck. The day the Government shuts down, Ken has told us, he is going to have to go to the unemployment office and apply for benefits to keep his life going. He does not want to be on unemployment. He wants to work. And the veterans of southern California, who depend on him to handle their cases, want him to be at his post at the Federal building in Los Angeles.

Then there is Larry Drake and his wife, Joan. Larry works for the Bureau of Labor Statistics and Joan works at the Public Health Services. If the Government shuts down, both will be furloughed. Their family will loose 100 percent of its income. We do not know if they will get their back pay; perhaps they might, perhaps they might not. But what kind of way is that for us to act? We have a responsibility to the workers and to those that they serve. All we had to do is say ''aye'' to the Democratic leader when he said, ''Put aside our problems. Let us keep the Government going at least until next week.'' Simple, straightforward, easy thing to do.

But, no, we cannot get it done.

I heard the majority leader over in the House, Mr. Armey, Representative ARMEY from Texas, who is the Republican majority leader over there, say, ''Well, we didn't get a good enough budget from the President. We got a meager budget. Therefore we are not going to send over a clean debt extension.'' That is a little bit like a guard in a prison camp. ''You haven't behaved. We are not going to give you your bread and water.''

The fact is, these appropriations bills have not been done and there is a very easy way to handle it. Wrap them in a continuing resolution. But, oh, no. The Republican leaders over in the House—and presumably we went along with it on this side, I am sad to say—they did not like what they got so they are not sending over a clean extension.

I would assume if the House did it, the Senate would have gone along.

Well, if we furlough Larry Drake and his wife Joan, what are they going to do? A two-income family and they are going to lose their income, either temporarily or for a longer time.

Then there is Ray Montgomery who works for the Census Bureau in Los Angeles. He is classified, even though he works for 40 hours a week, as an intermittent employee, so he will not get his back pay at all.

Ray told my office he is so worried about a second shutdown that he has not yet bought any Christmas presents for his family, and if the Government shuts down there will not be any presents at all. And Ray wrote to me, ''For Heavens sakes, I am one paycheck away from being homeless. I work hard to be a credit to my country. I try to be a good representative of Government employees to the American people.''

I just think it is a shameless situation. It is not necessary that we shut this Government down. We have a legitimate disagreement over how to balance the budget in 7 years. That is legitimate. It is a big problem. I am on the Budget Committee. I voted for two balanced budgets, one by BILL BRADLEY, one by KENT CONRAD. I am proud to have done it because it got to a balanced budget without hurting Medicare, Medicaid, without giving these outrageous tax breaks to the wealthiest who do not need them right now. For God sakes, put off the tax breaks until we have really balanced the budget. This is a phantom celebration. Give a tax break to the wealthy. People who earn $350,000 a year are going to get back almost $8,500 a year.

I mean really, while we cut Medicare and Medicaid and education and the environment and veterans, cops on the beat? Where are our values?

I say to my friend from Minnesota, Senator GRAMS is a very effective speaker. He says, when we say, on our side of the aisle, ''Where are our values?'' that the only value that is important—and I am paraphrasing him—is to balance the budget.

It is certainly important to balance the budget. Do you know the last time we had a surplus in this country was under Lyndon Johnson? Do you know the first President to get the deficit down 3 years in a row? Guess. Bill Clinton—the first one. George Bush and Ronald Reagan added more to the debt than all the Presidents from George Washington to Jimmy Carter. So Democratic Presidents take a back seat to no one in fiscal responsibility—no one. We are the ones who have a better record.

I have to say, there is a lot of anger on this floor. There is anger toward the

President. I have not seen such anger. I serve on that special committee that is looking into the Whitewater. The Presiding Officer and I sit there. God, there is anger toward that President. And the President does say he wants a balanced budget that is consistent with our values.

What are those values? I will not take too long to go into them because I know the hour is late. Respect for our elderly—pretty important value. I learned that as a child. So why would you sock it to Medicare and Medicaid and people in nursing homes, if you believe that we should respect our elderly? And give a tax break to the very wealthy who do not need it?

How about respect for our children? But, no, we are going to have thousands of fewer kids in Head Start, thousands of fewer kids getting special reading attention, cuts in education. Do you want to hear more? Respect for our environmental heritage. Respect for our environmental heritage. Respect for our environment—not only passing laws that say we will have clean air and clean water but actually enforcing those laws.

The Republican budget does not have respect for the elderly or the children or the environment and many other areas because they are so respectful of the rich and powerful that they will give them a huge tax break and therefore have to cut into these other programs.

Do the people want a balanced budget? You bet. You bet. But they want it to be fair. That is a value, too. Fairness is a value. In their budget they raise taxes on people earning less than $10,000 a year. Where is the value there for fairness? And they are mad at the President because he will not go along with it, and he has the guts to stand up and say it. And they do not like it. And they keep saying, ''Gee, the President doesn't stand for anything.'' But now that he does they do not like what he stands for. They want it all ways.

And then they say, ''Well, the President signed a commitment, a commitment to balance the budget in 7 years with CBO estimates.'' They left out a few things, however. In the agreement that CBO would check with the other experts, the blue chip indicators, the OMB indicators, and consider those. It is an important point. He did not just say, yes, whatever CBO says. The CBO has to check with these others. He also signed on to the fact that we will all protect certain priorities. They are listed in that document: Medicaid, Medicare, education, the environment.

So, yes, we all want a balanced budget. And we know that we can get there in a fair way. But we are not going to be blackmailed into it. And I honestly think that some of the Republican leaders over in the House think that because they are threatening a government shutdown we are going to say, OK, we give up. Cut Medicare, Medicaid. We do not really mean what we say. We do not care about tax breaks to the wealthy. All of this was just talk. Just keep the Government. We will give up.

It is not going to happen. So we come down to this very unhappy moment in the Senate, angry words, angry feelings, dispirited people all over the place. It is about a very important issue: What are our values? What do we value as a people?

So, Mr. President, thank you for this time that I have had to express myself this evening. My heart goes out to those Federal employees who do not know if they will have a happy Christmas. But I will do everything I can to separate that fight, that short-term battle from the long-term question, and I hope we can all do that and keep this Government going.

I yield the floor.

ORDER OF PROCEDURE TOMORROW

Mrs. BOXER. Mr. President, on behalf of the majority leader, I ask unanimous consent that notwithstanding the adjournment of the Senate tonight, the Senate resume consideration of the motion to proceed to the Labor, HHS appropriations bill tomorrow at 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate now stands adjourned.

Thereupon, at 8:53 p.m., the Senate adjourned until Saturday, December 16, 1995, at 11 a.m.